

**Zaroulis, Alex (ANF)**

---

**From:** Cindy Gillespie <[REDACTED]>  
**Sent:** Monday, February 13, 2006 12:42 PM  
**To:** Trimarco, Thomas H. (ANF)  
**Subject:** Fw: Re: Surcharge Proposal

-----Forwarded Message-----

>From: Cindy Gillespie <[REDACTED]>  
>Sent: Feb 13, 2006 9:47 AM  
>To: "Murphy,Tim (EHS)" <Tim.Murphy@state.ma.us>, "Lischko,Amy (EHS)" <Amy.Lischko@state.ma.us>,  
>"Wheelan,Brian (EHS)" <Brian.Wheelan@state.ma.us>, "Gillespie,Cynthia (GOV)" <Cynthia.Gillespie@state.ma.us>  
>Subject: Re: Surcharge Proposal  
>  
>Instead of eliminating the current employer assessment and putting a new assessment on all businesses (which will look like a business tax), could we consider instead:  
>  
> 1. Current assessment against employer plans remains - \$160 million  
> 2. All businesses will be required to establish a Section 125 plan as part of the start-up of a new business  
> 3. All businesses assist in the enforcement of the individual mandate by providing:  
> a. Information on the requirement of personal responsibility for health insurance  
> b. Information on the subsidies available through the exchange (if the employee would potentially be eligible)  
> 3. Have the employee sign that he has been given this information and also sign an affidavit of health insurance coverage  
> 4. For employees who access health insurance through the employer's Section 125 plan at the Exchange, the employer is charged the UCP assessment (just as he would be for any other employer insurance plan) and an additional administrative fee for using the Exchange to provide health insurance. Assuming that we will have 200,000 people purchasing their insurance through the Exchange, this fee would only be \$225 a year for each employee (if we agree to the House/Senate's desire to raise another \$45 million). From their perspective, if the Exchange grows over time, so will funding through this administrative fee).  
> 5. New "Shared Responsibility Surcharge" - a modification of the free-rider surcharge so that responsibility is "shared" between employer & employee. If an employee does not purchase insurance either through their employer or through the exchange, and does not post a bond as required, in addition to the other penalties, any charges that the employee incurs through use of the free care pool are divided evenly between the employer and employee. (This is where I would pick up on Tim's suggestion - except consider that we raise it to 400% of FPL to give DiMasi a win for lower middle-class workers). The employee's debt will be paid as outlined in the House/Romney bill. The employer's responsibility is capped at \$5,000 per year/per employee. The employer can be relieved of this responsibility if he can show that he had legitimate reason to believe his employee was insured.  
> 6. I know the Dems hate this, but we can also throw back in the Gov's original notion of having some sort of "public disclosure" of employers who promote a culture of uninsurance. For example, instead of a "logo" on the door, we could ask employers to provide us with quarterly reports on the number of their employees who are uninsured and then we could easily have the Boston Globe sign an MOU with the Governor/Speaker/Sen. President that they will publish this list every quarter in a full page ad. The Globe would love it and it would keep the issue of the uninsured front and center going forward.  
>  
>When can we talk today?  
>  
>-----Original Message-----

>>From: "Murphy, Tim (EHS)" <Tim.Murphy@state.ma.us>

>>Sent: Feb 12, 2006 1:46 PM

>>To: "Lischko, Amy (EHS)" <Amy.Lischko@state.ma.us>, "Wheelan, Brian (EHS)" <Brian.Wheelan@state.ma.us>, "Gillespie, Cynthia (GOV)" <Cynthia.Gillespie@state.ma.us>

>>Subject: Surcharge Proposal

>>

>>The following is an idea (suboptimal in my opinion) to try to move this conference along:

>>

>>1. Eliminate current employer assessment

>>2. New uniform assessment on all businesses ? raises \$160 million

>>3. All businesses will be required to offer a Section 125 plan for all employees

>>4. All businesses will be required to have each employee sign an affidavit of health insurance coverage

>>5. Establish an uninsured surcharge pool assessment

>> a. Companies with employees earning less than 300% FPL and using \$50,000 or more of UCP costs for such employees in the prior twelve month period will be assessed a surcharge

>> b. Companies will pay the surcharge monthly for a twelve month period

>> i. The surcharge will be equal to the UCP costs divided by 12

>> ii. The surcharge will be adjusted upward if the rolling 12 month UCP is higher than the original surcharge

>> iii. The surcharge will be capped at the payroll for all employees earning less than 300% FPL times 5 percent

>>

>>

>>Open to suggestions.

>>

>>TM

>>

>>

>

>

>This message has been sent from my blackberry.

This message has been sent from my blackberry.

## Zaroulis, Alex (ANF)

---

**From:** [REDACTED] on behalf of Cindy Gillespie  
<[REDACTED]>  
**Sent:** Friday, February 17, 2006 5:51 AM  
**To:** Tim Murphy; Cynthia Gillespie; Mitt Romney; Thomas H. (ANF) Trimarco  
**Cc:** Brian Wheelan  
**Subject:** Re: Confidential

Since the Governor will be in a car traveling to the cape, I'll work w/Natalie this morning to hook us all into a conference call w/him. Will everyone be available in the 8:30 to 9:30 slot for us to try during that time?

-----Original Message-----

**From:** "Murphy, Tim \EHS\" <Tim.Murphy@state.ma.us>  
**Date:** Thu, 16 Feb 2006 22:44:53  
**To:** "Gillespie, Cynthia \GOV\" <Cynthia.Gillespie@state.ma.us>, <mittromney@hotmail.com>, "Trimarco, Thomas H. \ANF\" <Thomas.H.Trimarco@state.ma.us>  
**Cc:** "Wheelan, Brian \EHS\" <Brian.Wheelan@state.ma.us>  
**Subject:** FW: Confidential

Brian and I have reviewed the attached materials. Here are our observations:

1. Overall, a pretty good package. Trav's proposal adopts the exchange, premium assistance, extends the assessment to non-offering companies, no Medicaid expansions and mandatory section 125 plans.
2. The plan seems to adopt our "success-based model" approach for premium assistance and the uncompensated care pool, but also looks to protect BMC and CHA. We will need clarification that the plan does guarantee safety net care money to these hospitals.
3. It is unclear that the plan adopts an individual mandate. We must have an individual mandate for any plan to work.
4. The employer free rider proposal will not be acceptable to the business community. We should push for our approach, which is also a tough sell to business community.
5. The plan makes promises on Medicaid rate increases in FY08 and FY09. This is unacceptable and unnecessary.
6. Insurance market reforms and reinsurance pool are poor policy choices.
7. They add back certain benefits (e.g. eyeglasses and dental). We need to decide whether this is acceptable.
8. The sources and uses seem to work, but we need to verify certain assumptions.

Trav will need to compromise to make this proposal viable, but it is a decent proposal. We should work from it and not circulate another term sheet. Please do not forward Trav's materials.

TM

-----Original Message-----

**From:** Morales, David (SEN) [mailto:David.Morales@state.ma.us]  
**Sent:** Thu 2/16/2006 9:19 PM

To: Murphy, Tim (EHS)  
Cc:  
Subject:FW: Confidential  
Secretary,

Attached is the confidential proposal draft the SP shared with the Speaker. Please share with Secretary Trimarco only.

Please call me at [REDACTED] with any questions.

DM

Sent via BlackBerry from EarthLink Wireless.

# Health Care Reform

---



**CONFIDENTIAL**

**For Discussion Purposes Only**

**February 16, 2006**



# Health Care Reform - Overview

---

## TOPICS

- Revenue
- Employer Responsibility
- Individual Responsibility
- Medicaid
- Market Reforms
- Subsidized Insurance and IP
- Free Care Pool
- Coverage
- Other Issues



# Health Care Reform - Revenue

---

## **Principles:**

- No Employer Payroll Tax
- Plan must be in balance over next 3 years
- Maximize Federal Revenue through the Pool

## **Revenue:**

- \$160 Million - Existing Hospital Assessment
- \$160 Million - Existing Pool Employer Assessment
- \$75 Million - General Fund
- \$80 Million - Free Rider Surcharge
- \$7 Million – Non-Offering Employers Fair Share Assessment

---

**\$482 Million (Pre-Federal Financial Participation)**



# Employer Responsibility

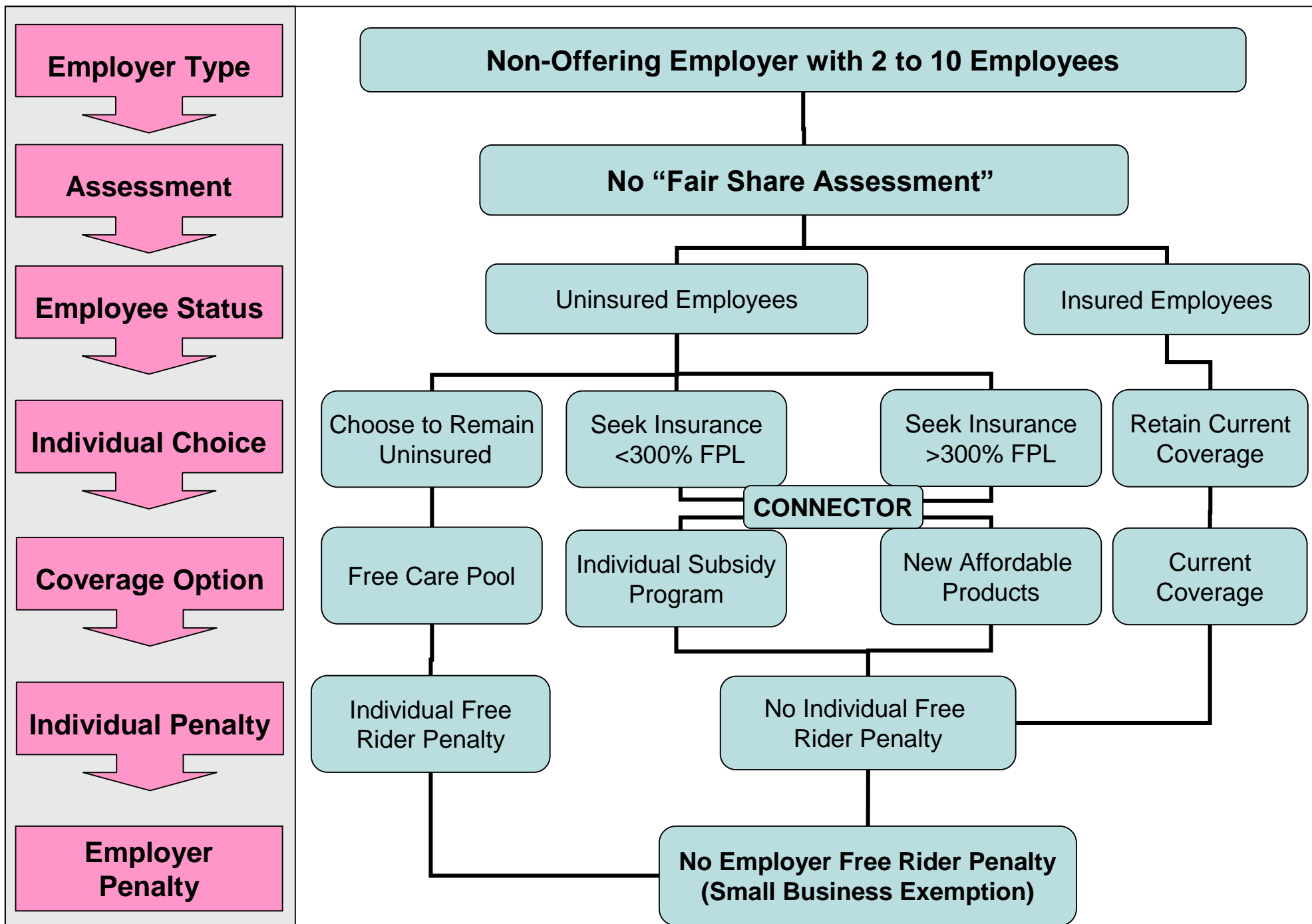
---

- Retain \$160M on Employers who offer Insurance
- New “Fair Share” Assessment on non-offering employers, with more than 10 employees or more:
  - \$62 annual charge per full-time employee
  - Matches current Pool Assessment on providing employers
- Employer Free Rider Surcharge on Non-Offering Employers, with more than 10 employees, whose employees use the Pool:
  - Part-time employees to be pro-rated
- S. 125: Employers must offer 125 via Exchange
- HIRD: Proof of Employer Responsibility Form for all employers with 2 or more employees



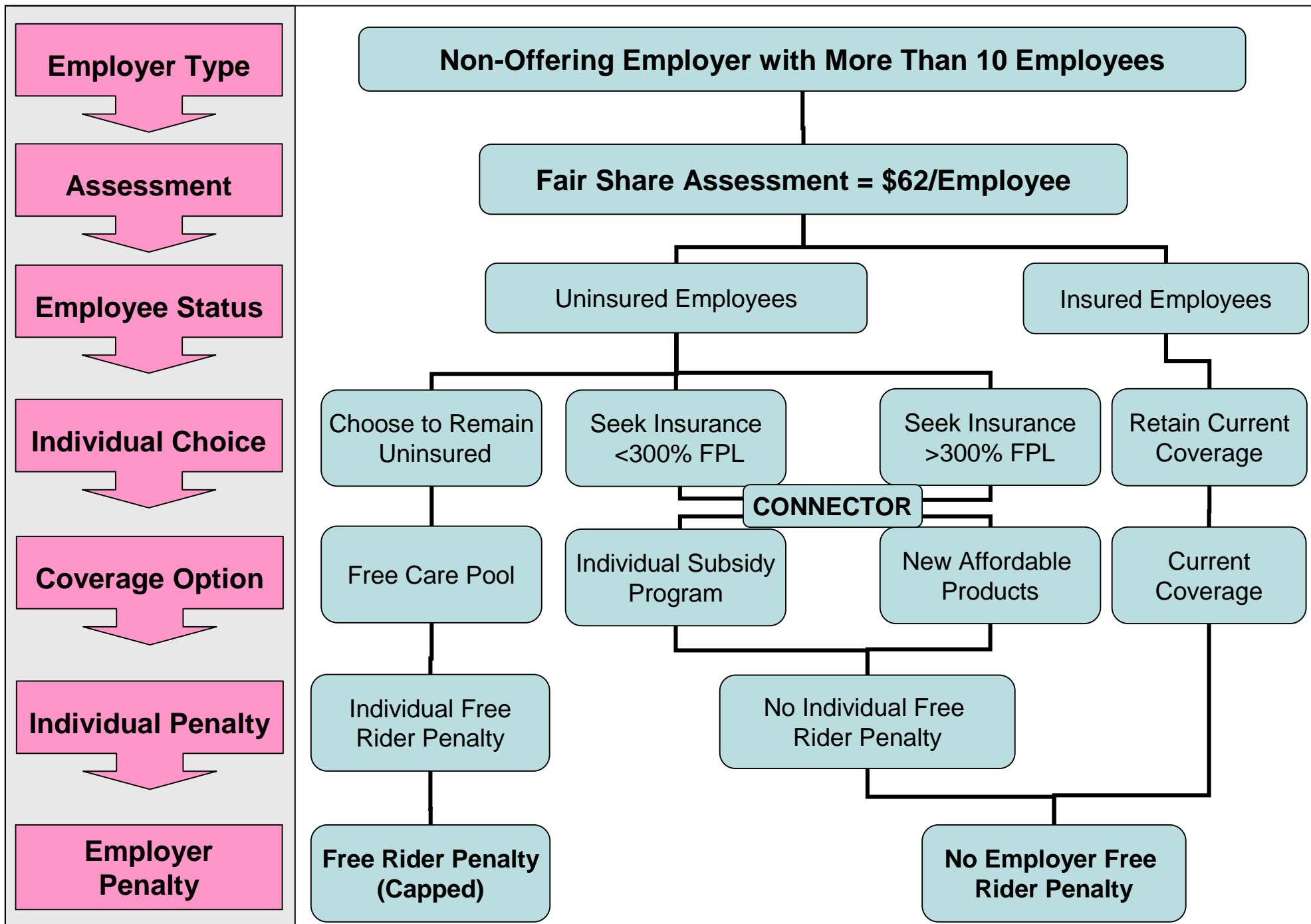


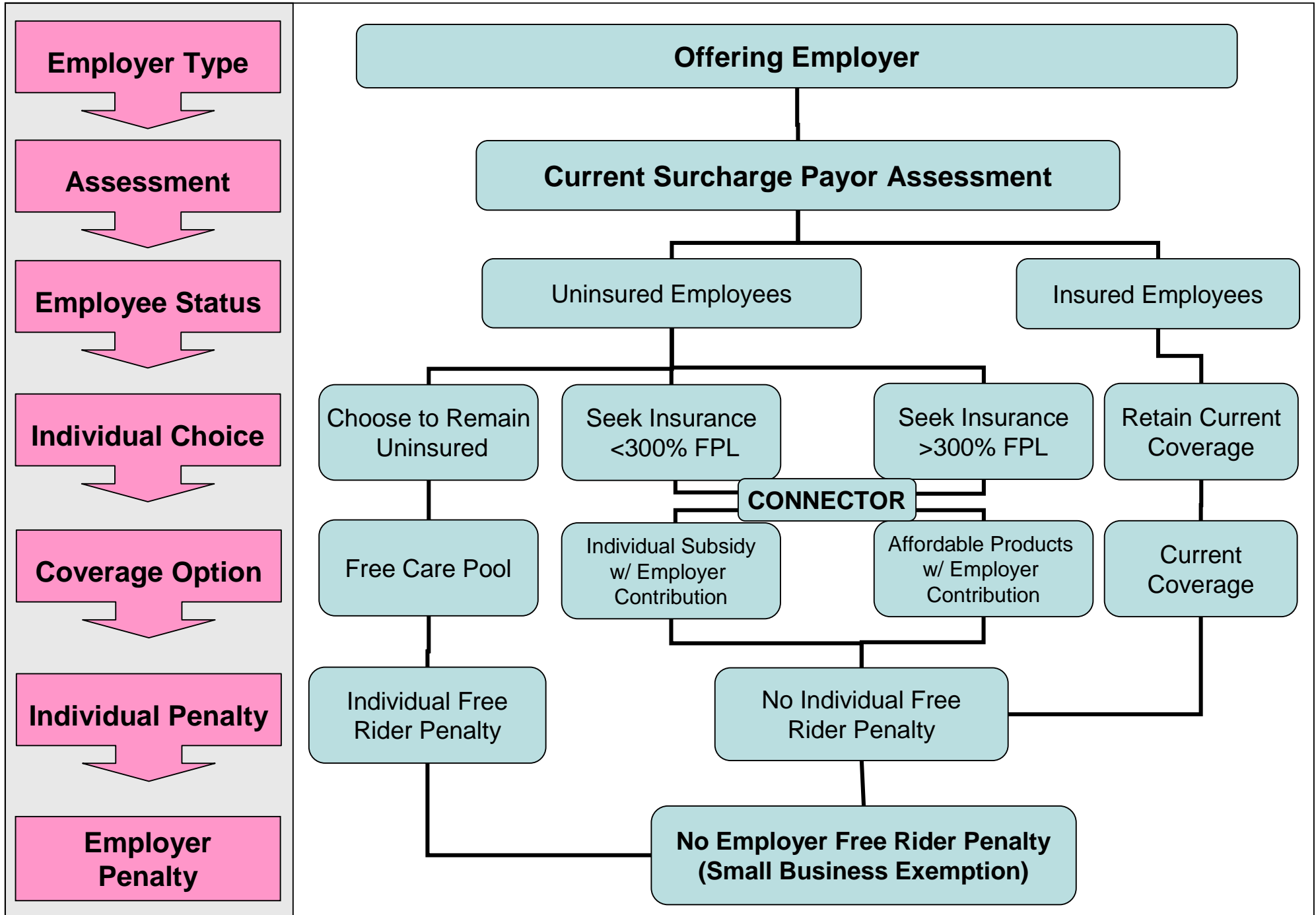
# Employers With Less Than 10 Employees





# Employers with More Than 10 Employees







# Individual Responsibility

---

## **Principles:**

- Encourage individuals to buy health insurance, not go uninsured
- Encourage use of Pool for emergency use only

## **Elements:**

Implement Free Rider Surcharge for Individuals:

- Employees whose employer offers health insurance and who voluntarily decline to enroll in their employer's health insurance and who use publicly financed health care will be assessed a portion of the cost of their care: from 30% to 100% of the cost, with a cap of \$5,000, or as determined by Health Care Finance & Policy



# Medicaid

---

## **Principles:**

- Meet CMS Waiver Requirements, w/out losing fed. funds
- Cover all low-income eligibles over the next three years
- Increase Rates to Fair level & Reduce Cost Shifting

## **Elements:**

- Restore ALL Benefits on July 1, 2006
- Increase enrollment caps on July 1, 2006 for CommonHealth, MassHealth HIV, and MassHealth Essential
- Delay MassHealth Expansions until Fall 2006:
  - Children
  - Parents (With Crowd-Out Measures)
- Increase Medicaid Rates for Hospitals, Doctors & CHCs by \$80 M each year over the next 3 yrs. and change to Medicare base



# Market Reforms

---

## **Principles:**

- Lower Costs for Small Businesses
- Lower Premiums without Disrupting Small-Group
- Allow Flexibility & Affordable Products

## **Elements:**

- Exchange as Quasi-Public Entity
- Restricted Networks to Lower Costs
- Semi-Merger (Senate) and Re-Insurance for Non-Group & High Claims
- Range of affordable products, minimal mandated benefit protections for new products (protect clinical trials and infertility benefits)
- Include Transparency language for Providers and HMOs



# Subsidized Insurance

---

## **Principles:**

- Cover Low-Income Individuals under 300% FPL
- Maximize Employer Participation
- Meet Waiver Requirements

## **Elements:**

- Medicaid MCOs to cover low-income eligibles
  - NHP, Fallon, BMC & Cambridge
- Create Safety Net Fund to fund subsidized products
- Reform IP program to help small businesses and maximize employer participation



# Free Care Pool

---

## **Principles:**

- Maximize Federal revenues
- Increase Free Care Reimbursement for all Providers
- Prevent Fraud

## **Elements:**

- Implement anti-fraud measures
- Maximize federal revenues via rates
- Protect DSH, Baby DSH & CHCs with a minimum payment floor





# Coverage

---

## **Principles:**

- In 3 years:
  - Reduce the number of uninsured by at least 75%
  - Expand Coverage to over 98% of the Total Population
- In 5 years:
  - Provide Universal Coverage (excluding illegal immigrants)

## **Coverage Elements:**

195,000 – Private Market

145,000 – Subsidized Insurance/IP

60,000 – Medicaid

---

**400,000 Total Newly Insured Lives by FY09**



# Other Issues

---

## **Health Care Reform Should Also Include:**

### 1. Long Term Care Choice:

- Include in final bill

### 2. Public health Spending:

- Include prevention initiatives in final bill

### 3. Other Issues:

- Include Behavioral Health language in final bill
- Include UMass Supp payment distribution language, not money
- Both branches agree to hold the following in Conference:
  - Ambulatory Surgical Centers
  - Physician Credentialing
  - Expedited DON's
  - Electronic billing reform (Spilka language)

| Existing Sources                    |
|-------------------------------------|
| Federal Safety Net Revenue          |
| Federal Medicaid Matching Revenue   |
| Hospital Assessment                 |
| Surcharge Payor Assessment          |
| Free Rider Surcharge                |
| Fair Share Assessment               |
| General Fund Contribution           |
| TOTAL:                              |
| Existing Obligations                |
| MCO Supp Funding (Rate and SNC)     |
| Pool/Safety Net Fund (Rate and SNC) |
| BMC Hold Harmless                   |
| TOTAL:                              |
| NET Remaining Revenue:              |

| New Spending                                 |
|--|
| Medicaid: Programmatic                       |
| MasHealth Outreach                           |
| Explanation of Benefits                      |
| MassHealth Audits                            |
| MassHealth Essential                         |
| ComonHealth                                  |
| MassHealth HIV                               |
| Adult Immigrants under Essential             |
| Medicaid: Restorations                       |
| Restore Adult Dental                         |
| Restore Adult Eyeglasses                     |
| Restore Chiropractic                         |
| Restore Remaining Adult Prosthetics          |
| Medicaid: Institutional                      |
| Medicaid Rates:<br>Hospitals/Physicians/CHCs |
| Subsidized Insurance/ IP                     |
| IP Expansion                                 |
| Subsidized Insurance                         |
| Private Insurance Reforms                    |
| Connector/Exchange Start-Up                  |
| Reinsurance                                  |
| Other Spending                               |
| Public Health Spending                       |
| CPOE   |
| DOI, DOR, HSN Start-Up Funds                 |
| Total New Spending                           |

|                      |
|----------------------|
| BALANCE OF THE TRUST |
|                      |

| COMPROMISE (75% Coverage) |            |            |            |
|---------------------------|------------|------------|------------|
| FY06                      | FY07       | FY08       | FY09       |
|                           |            |            |            |
|                           | \$ 605.0   | \$ 610.5   | \$ 610.5   |
|                           | \$ 190.8   | \$ 250.2   | \$ 313.1   |
|                           | \$ 160.0   | \$ 160.0   | \$ 160.0   |
|                           | \$ 160.0   | \$ 160.0   | \$ 160.0   |
|                           | \$ 80.0    | \$ 80.0    | \$ 80.0    |
|                           | \$ 7.0     | \$ 7.0     | \$ 7.0     |
| \$ 50.0                   | \$ 75.0    | \$ 75.0    | \$ 75.0    |
| \$ 50.0                   | \$ 1,277.8 | \$ 1,342.7 | \$ 1,405.6 |
|                           |            |            |            |
|                           | \$ 200.0   | \$ 180.0   | \$ 160.0   |
|                           | \$ 530.0   | \$ 435.0   | \$ 300.0   |
|                           | \$ 20.0    | \$ 20.0    | \$ 20.0    |
| \$ -                      | \$ 750.0   | \$ 635.0   | \$ 480.0   |
| \$ 50.0                   | \$ 527.8   | \$ 707.7   | \$ 925.6   |

| COMPROMISE |          |          |          |
|------------|----------|----------|----------|
| FY06       | FY07     | FY08     | FY09     |
|            |          |          |          |
|            | \$ 3.0   | \$ 3.0   | \$ 3.0   |
|            | \$ 2.0   | \$ 2.0   | \$ 2.0   |
|            | \$ 1.5   | \$ 1.5   | \$ 1.5   |
|            | \$ 77.8  | \$ 81.8  | \$ 85.4  |
|            | \$ 4.3   | \$ 12.6  | \$ 19.0  |
|            | \$ 0.9   | \$ 2.4   | \$ 3.1   |
|            | \$ 5.3   | \$ 11.6  | \$ 17.0  |
|            |          |          |          |
|            | \$ 35.0  | \$ 40.0  | \$ 45.0  |
|            | \$ 6.0   | \$ 6.0   | \$ 6.0   |
|            | \$ 1.0   | \$ 1.0   | \$ 1.0   |
|            | \$ 0.1   | \$ 0.1   | \$ 0.1   |
|            |          |          |          |
| \$ -       | \$ 80.0  | \$ 160.0 | \$ 240.0 |
|            |          |          |          |
| \$ -       | \$ 10.0  | \$ 30.0  | \$ 40.0  |
| \$ -       | \$ 150.0 | \$ 275.0 | \$ 450.0 |
|            |          |          |          |
| \$ 25.0    |          |          |          |
|            | \$ 45.0  | \$ 51.0  | \$ 57.0  |
|            |          |          |          |
|            | \$ 28.0  | \$ 28.0  | \$ 28.0  |
|            | \$ 5.0   |          |          |
| \$ 25.0    |          |          |          |
| \$ 50.0    | \$ 454.9 | \$ 706.0 | \$ 998.1 |

|                                |        |       |          |
|--------------------------------|--------|-------|----------|
| \$ -                           | \$72.9 | \$1.7 | (\$72.6) |
| 3 Year Additional Cost: (\$2)M |        |       |          |

|                      |         |
|----------------------|---------|
| <u>Coverage</u>      |         |
| Subsidized Insurance | 145,000 |
| Medicaid             | 60,000  |
| Private Market       | 195,000 |
| TOTAL                | 400,000 |
| % of Uninsured       | 75%     |

## Zaroulis, Alex (ANF)

---

**From:** cindy gillespie <[REDACTED]>  
**Sent:** Sunday, February 19, 2006 12:35 PM  
**To:** 'Mitt Romney'; 'Tim Murphy'; 'Tom Trimarco'; 'Peter Flaherty'  
**Subject:** RE: Trav

It sounds like we may have revenue (or as Tim says "spending") issues if you are able to get Sal/Trav into a meeting on Weds. Sal has been using Trav's desire to spend so much on rates & safety net hospitals as the inducement to get Trav to agree to some sort of tax or assessment on business. If business ends up being taxed in order to pay higher rates to providers, they are going to be (justifiably) livid at Partners/Blue Cross. But, business is the group that has carried the argument that there is a cost-shifting problem in rates, not just with the uninsured. So, they have certainly helped to dig their own grave.

Tim, the 3 years of rate increases Trav originally proposed was to begin this year. We did the first year ourselves since the bill wasn't moving in time (with the \$100 million you did this summer). So, somehow, we need to construct this in a way that Trav can see that he has already delivered on the first \$100 million; we think there is the money for the second \$100 million, so what we're really discussing is a third year of rate increases, not two more years. Frankly, it's their own necks they are putting on the line by putting rate increases in place for years down the road - they'll have the funding shortfall in a couple of years, not us.

-----Original Message-----

**From:** Mitt Romney [mailto:mittromney@hotmail.com]  
**Sent:** Sunday, February 19, 2006 11:18 AM  
**To:** Cindy Gillespie; Tim Murphy; Tom Trimarco; Peter Flaherty  
**Subject:** Trav

Hi Peter, Tom, Tim, and Cindy,

Spoke with Trav this AM. He isn't ready to sign on to the deal as yet but I am confident a deal can be struck on the basic terms outlined in the term sheet. Items of difference include: 1. want senate language on this 2. Apply only to greater than 10 employees 3. Keep the free care pool 4 ok if right language 9. 80 is ok but must go for three years ( I presume he wants it to add 80 for each of three years but I didn't ask) 10-12-"have to protect our safety net hospitals".

Important: we are NOT to tell anyone where he is on these: he will have to make his own trades down the road perhaps.

He is coming to boston on wed AM. We agreed to meet IF it looks productive with Sal. I figure I should meet with Sal on tues to see if I can make progress.

Probably helpful to show in detail the calculation of what his 800 headtax would provide.

Thumbs sore--i quit. Best and much thanks. Mitt Sent via BlackBerry from Cingular Wireless

**Zaroulis, Alex (ANF)**

---

**From:** Fehrstrom, Eric (GOV)  
**Sent:** Friday, February 24, 2006 2:05 PM  
**To:** Murphy, Tim (EHS)  
**Cc:** 'Gillespie, Cynthia (GOV)'; Trimarco, Thomas H. (ANF)  
**Subject:** RE: I'm on the phone right now

I don't agree. A story is what brings the Speaker back to the table, potentially. If the Speaker doesn't budge, then we work out the compromise w/the Senate.

---

**From:** Murphy, Tim (EHS)  
**Sent:** Friday, February 24, 2006 2:04 PM  
**To:** Fehrstrom, Eric (GOV)  
**Cc:** 'Gillespie, Cynthia (GOV)'; Trimarco, Thomas H. (ANF)  
**Subject:** I'm on the phone right now

We are trying to work out a compromise with the Senate. They are concerned that a story in the Globe about hospital impact at this point could hurt our efforts. If we can reach agreement with the Senate, then I agree with their concern. Cindy and I will be talking again with the Senate this afternoon, but no ETA at this point. I recognize that we might be missing our window with the Globe, but we need to get this done right.

TM

## **Zaroulis, Alex (ANF)**

---

**From:** Myers, Beth (GOV) <Beth.Myers@state.ma.us>  
**Sent:** Sunday, February 26, 2006 11:25 AM  
**To:** Gillespie, Cynthia; Tim Murphy; Eric Fehrstrom  
**Cc:** Cynthia Gillespie; Thomas H. (ANF) Trimarco; Beth Myers  
**Subject:** RE: Globe story

When I see you you'll have to explain the strategy to me. Story just seemed like a big disappointment and counter to the strategy I thought we were employing.

-----Original Message-----

From: cindy.gillespie@earthlink.blackberry.net on behalf of Cindy Gillespie  
Sent: Sun 2/26/2006 10:44 AM  
To: Tim Murphy; Eric Fehrstrom  
Cc: Cynthia Gillespie; Thomas H. (ANF) Trimarco; Beth Myers  
Subject: Re: Globe story

I talked to Gov and he gets the strategy Trav's employing. He knows the ltrs are going and is ok w/everything.

Thanks,

Cindy

-----Original Message-----

From: "Murphy, Tim \\\(EHS\\)" <Tim.Murphy@state.ma.us>  
Date: Sun, 26 Feb 2006 10:22:15  
To: "Fehrstrom, Eric \\\(GOV\\)" <Eric.Fehrstrom@state.ma.us>  
Cc: "Gillespie, Cynthia (GOV)" <Cynthia.Gillespie@state.ma.us>, "Trimarco, Thomas H. \\\(ANF\\)" <Thomas.H.Trimarco@state.ma.us>, "Myers, Beth (GOV)" <Beth.Myers@state.ma.us>

Subject: Re: Globe story

Globe story was very disappointing. We will send out letters tomorrow and a press release.

As for the plan's ultimate goal, the waiver does not call for everyone to have health insurance by June 30, 2008. However, we need to submit a plan that can realistically lower the uninsured rate significantly during the waiver. Thus, I do believe we can accomplish both goals (save the money, set-up a structure to achieve full insurance). The rub will be the individual mandate and risk pools. Unfortunately, we don't control our future. If Sal and/or Trav want to be obstinate, then we will be trouble.

TM

TM

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Fehrstrom, Eric (GOV) <Eric.Fehrstrom@MassMail.State.MA.US>  
To: Murphy, Tim (EHS) <Tim.Murphy@MassMail.State.MA.US>

CC: 'Cynthia.Gillespie@state.ma.us' <Cynthia.Gillespie@state.ma.us>; Trimarco, Thomas H. (ANF) <Thomas.H.Trimarco@MassMail.State.MA.US>; 'beth.myers@state.ma.us' <beth.myers@state.ma.us>

Sent: Sun Feb 26 10:09:17 2006

Subject: Globe story

Trav stepped all over our hospital impacts story. We should send out letter tomorrow as planned with chart enclosure, and give to all press. Dick Powers can handle.

We still need to figure out how to respond to the notion of a "scaled down" compromise. Will any plan need to have as its goal getting everyone covered, or can we get by with just reducing the rate of the uninsured?

Eric

-----

Sent from my BlackBerry Wireless Handheld

Sent via BlackBerry from EarthLink Wireless.

**Zaroulis, Alex (ANF)**

---

**From:** Waczko, Natalie (GOV)  
**Sent:** Tuesday, February 28, 2006 11:10 AM  
**To:** Myers, Beth (GOV); Fehrstrom, Eric (GOV); Trimarco, Thomas H. (ANF); Murphy, Tim (EHS); Gillespie, Cynthia (GOV)  
**Cc:** McNally, Christine (GOV); Seguin, Sheli (GOV); Grouke, Joan (ANF); Bibilos, Suzi (EHS)  
**Subject:** Conf call at 11:30am

Please have Cindy, Secretary Trimarco and Secretary Murphy available at 11:30am to discuss healthcare options for a few minutes with the Gov. I will connect each party individually once he calls in. Please advise if you want to be reached at any number besides your office extension.

Beth & Eric - please let me know if you aren't in the air at that point and I'll call your cell phones.

Thanks!  
Natalie



**Zaroulis, Alex (ANF)**

---

**From:** Fehrstrom, Eric (GOV)  
**Sent:** Tuesday, February 28, 2006 2:09 PM  
**To:** Gillespie, Cynthia; Murphy, Tim (EHS); Trimarco, Thomas H. (ANF); Myers, Beth (GOV)  
**Cc:** Powers, Richard (EHS)  
**Subject:** FW: health care

FYI - What the Globe is hearing . . .

-----Original Message-----

From: shelman@globe.com [mailto:shelman@globe.com]  
Sent: Tuesday, February 28, 2006 2:08 PM  
To: Teer, Julie (GOV); Fehrstrom, Eric (GOV)  
Subject: Re: health care

i'm told the senate will amend its health care bill today to add some kind of individual mandate. given that's a central part of romney's proposal, i would think he -- or at least tim murphy -- would want to weigh in. what do you think?

-----  
Scott Helman  
Political Reporter  
The Boston Globe

  
[shelman@globe.com](mailto:shelman@globe.com)

"Teer, Julie  
\\(GOV\\)" To: <[shelman@globe.com](mailto:shelman@globe.com)>  
<Julie.Teer@state.ma.us> cc:  
e.ma.us> Atex users:  
Subject: Re: health care  
02/28/2006 11:08  
AM

He is back later this afternoon. Will let you know. What's going on there right now?

-----  
Sent from my BlackBerry Wireless Handheld


-----Original Message-----

From: shelman@globe.com <[shelman@globe.com](mailto:shelman@globe.com)>  
To: Teer, Julie (GOV) <[Julie.Teer@state.ma.us](mailto:Julie.Teer@state.ma.us)>; Fehrstrom, Eric (GOV) <[Eric.Fehrstrom@state.ma.us](mailto:Eric.Fehrstrom@state.ma.us)>  
Sent: Tue Feb 28 11:11:32 2006

Subject: health care

julie, eric -- not sure when the gov is back in town today, but is he going to talk more in detail about the state of health care negotiations? seems like he would want to address it substantively at some point. let me know, thanks.

-----  
Scott Helman  
Political Reporter  
The Boston Globe

  
[shelman@globe.com](mailto:shelman@globe.com)

**Zaroulis, Alex (ANF)**

---

**From:** Waczko, Natalie (GOV)  
**Sent:** Tuesday, February 28, 2006 6:16 PM  
**To:** Trimarco, Thomas H. (ANF); Fehrstrom, Eric (GOV); 'Teer, Julie (GOV)'; Gillespie, Cynthia (GOV); Murphy, Tim (EHS)  
**Cc:** Myers, Beth (GOV)  
**Subject:** Trav

FYI: Gov is trying to reach Trav but we're not having any luck. We've left messages at home and on cell and there was no one in their offices when I just banged on the door. I'm sure they will touch base at some point this evening - Trav has Gov's home number.

Thanks,  
Natalie

**Zaroulis, Alex (ANF)**

---

**From:** Teer, Julie (GOV)  
**Sent:** Tuesday, February 28, 2006 6:31 PM  
**To:** Gillespie, Cynthia (GOV); Murphy, Tim (EHS); Trimarco, Thomas H. (ANF)  
**Cc:** 'Teer, Julie (GOV)'  
**Subject:** FW: final statement

here you go.

-----Original Message-----

**From:** Teer, Julie (GOV)  
**Sent:** Tuesday, February 28, 2006 6:27 PM  
**To:** 'Williams, Ryan (GOV)'  
**Cc:** Fehrstrom, Eric (GOV)  
**Subject:** final statement

Statement from Governor Romney regarding health care

"I applaud the Senate's courageous step towards covering every citizen with health insurance and securing vital federal funding. By moving unilaterally to a compromise position, the Senate has put the interest of the people above politics. The bill isn't 100% of what I wanted but it moves us much closer to our mutual goal."

**Zaroulis, Alex (ANF)**

---

**From:** mitt romney <mittromney@hotmail.com>  
**Sent:** Sunday, April 09, 2006 8:08 AM  
**To:** [REDACTED]; Gillespie, Cynthia; [REDACTED]; Murphy, Tim (EHS);  
Trimarco, Thomas H. (ANF)  
**Subject:** globe

You know, the Globe editorial's absurd history -- crediting Sal with health care reform and all the innovations -- may be just what we need to get Trav to go along with us in killing the 295 fee. It is in fact the only thing Sal added. If we kill it, he's got nothing. So, we give Trav what we planned, the 200 for BMC and the hospital rates, and he sticks with us. Any prospects for that? Best, Mitt

**Zaroulis, Alex (ANF)**

---

**From:** mitt romney <mittromney@hotmail.com>  
**Sent:** Saturday, April 08, 2006 3:17 PM  
**To:** scanfield@thecommonwealthpac.com; [REDACTED]; [REDACTED]  
[REDACTED]; Gillespie, Cynthia; Murphy, Tim (EHS); Trimarco, Thomas H. (ANF)  
**Subject:** health  
**Attachments:** The healthcare system is a mess.doc

Tim, Tom, Cindy, Sally, Eric, Beth,

So, I stayed home to write an op ed. No New Hampshire, Lousy weather anyway.  
Take a look at what I've drafted. I'm not sure it's cerebral enough for the WSJ. Maybe somewhere. Maybe a re-work. Of course, as always, praise is welcome. Best, Mitt

The healthcare system is a mess. It is high time to do something about it. We in Massachusetts believe that we have found some answers and, reaching across the political divide, we're going to act.


Only weeks after I was elected governor, my friend Tom Stemberg, founder and former Staples CEO, stopped by my office. "Mitt," he said, "if you really want to help people, find a way to get everyone health insurance." Impossible, I explained: that would mean raising taxes and a Clinton-style government takeover. But he insisted: "you can find a way."

In my years in consulting, in private equity, and as a manager, I have learned that solving problems involves data, analysis, and creative thinking from a diverse group of bright, thoughtful people. Considering Tom's challenge, I assembled a team from business, academics and government and set them out, first to find out who was uninsured, and why.

What they found surprised me. 20% of our uninsured actually qualified for Medicaid but had never signed up. For these, we built a portal which we installed at hospitals and clinics: when uninsured individuals showed up for treatment, we entered their particulars into the portal. If they qualified for Medicaid, they were signed up.

Another 40% of our uninsured were earning enough to buy insurance but had simply chosen not to do so. Why? Because it is very expensive in Massachusetts and because they knew that if they were to become seriously ill, they could always get free treatment at the hospital—as required by federal law. Why pay for something you can get for free?

Of course, while it may be free for them, everyone else ends up paying the bill, either in higher insurance premiums or taxes. Our answer for these people was to make the health insurance offered



by our private insurers much more affordable: permit higher deductibles, higher co-pays, co-insurance, directed networks, and fewer mandated benefits like in vitro fertilization. Our private insurers committed to offer products nearly 50% less expensive. And with lower cost insurance available, we insist that everyone either purchase a product of their choice or show us that they can pay for their own healthcare. We call it the Personal Responsibility Principle: no more free ride.

Some of my libertarian friends balk at an individual mandate. But is it libertarian to insist that government pick up the tab for those without insurance or means to pay? An uninsured libertarian might counter that he could refuse the free care, but under law, that is impossible—and inhumane.

Our third group of uninsured are too poor to purchase health insurance on their own; we draw the line at three times the federal poverty level. Here our answer is to provide a subsidy for them to purchase their own private policy. The individual's premium is based on ability to pay: one pays a higher amount, along a sliding scale, as the income is higher. The big question for us was where the money for the subsidy would come from; if it meant new or higher taxes, it wouldn't work.

We had about \$1 billion already in the system. Massachusetts had long ago established an uninsured care pool to partially reimburse hospitals that provide free care. The fund is raised through an annual assessment on insurance providers and hospitals and contributions from the state and federal government. But would the \$1 billion be enough for the subsidies we would need?

One of our team members, a professor from MIT, built a model of this population. Our insurers added actuarial expertise. Again, the result surprised us: we needed far less than the \$1 billion for the subsidies. One reason is that this population is healthier and has



lower health risk than we had imagined. Instead of minority single parents, most were white single males, educated and in good health. And again, because health insurance is affordable and subsidized, we insist that everyone purchase health insurance from one of our private insurance companies.

And so, we have a plan that does what Tom Stemberg said. We will have health insurance for all our citizens; it is private, market based insurance; we do not impose an employer mandate; and we have no need for higher taxes. It's the Republican way to achieve a Democratic goal, one which we share.

Along the way, we found some helpful enhancements. The Heritage Foundation showed how our citizens can purchase their health insurance with pre tax dollars, even if their employer does not contribute to their premiums. What we call the Connector allows for pre tax payments, simplifies payroll deduction, reduces insurer marketing costs, and makes it efficient for policies to be entirely portable.

Two more features further reduce healthcare costs. Our medical transparency provisions allow the Massachusetts consumer to compare the quality, track record and cost of different hospitals and providers. Given deductibles and co-insurance, the consumer now has both the incentive and the information for market forces to influence behavior. Electronic health records are also underway in Massachusetts, reducing medical errors, and cost.

The legislation is not 100% of what I originally proposed. My Democratic counterparts have added a \$295 annual per person fee for [6]% of our employers, new dental benefits for adults on Medicaid, etc. Even after any amendments or line item vetoes I may make, the final version will in all likelihood have some features I think are unnecessary, excessive or expensive. But I'd rather take ten steps ahead and one back than to stand still.

How much of this applies to other states? A lot. Instead of thinking that the best way to cover the uninsured is by expanding Medicaid, they can instead reform insurance. Medicaid after all is a poor insurance product: no co-pays, no deductibles, cliff eligibility, and poverty counter-incentives. A state Connector can also enable citizens to purchase health insurance with pre-tax dollars.

Will it work? Time will tell. That's one great thing about federalism: states can innovate, demonstrate and incorporate ideas from one another. Healthcare is ripe for new ideas. If you have some that are better than ours, then as Ross Perot used to say: "I'm all ears."

**Zaroulis, Alex (ANF)**

---

**From:** mitt romney <mittromney@hotmail.com>  
**Sent:** Sunday, April 09, 2006 8:05 PM  
**To:** [REDACTED]; scanfield@thecommonwealthpac.com; Gillespie, Cynthia;  
[REDACTED]; Murphy, Tim (EHS); Trimarco, Thomas H. (ANF)  
**Subject:** health edits v2  
**Attachments:** The healthcare system is a mess.doc

Hi team,

Sally is right that the beginning is abrupt and less than graceful--problem is that we're at word limit. Having tired unsuccessfully to cut down your edits, Sally, I've opted instead to just jump in, saving my word count for the solution content.

Cindy requested that I put in some language about small business--I've added a couple of lines on that, but again, I'm sparse given the word limit.

I've adapted a new ending; no rave reviews so far for my Ross Perot finish from before. Maybe a more positive last line is in order, rather than referencing the mess.

I've deleted the direct promise to veto the \$295--Cindy makes the point that this will be the content of Ted K and Sal's remarks if I keep it in the way it was before. Maybe even get protests from the advocats. See what you think about my wording. Eric, I don't think I need to mention the \$62 fee given my wording here--se what you think.

Best...and Thanks! Mitt

The healthcare system is a mess. We in Massachusetts believe we have found some answers. With market-based reform, every citizen will have affordable, private health insurance. Healthcare inflation is reduced. We need no new taxes, no employer mandate, and no government takeover.

Only weeks after I was elected governor, Tom Stemberg, Staples founder and former CEO, stopped by my office. "Mitt," he said, "if you really want to help people, find a way to get everyone health insurance." Impossible, I explained: that would mean raising taxes and a Clinton-style government takeover. But he insisted: "You can find a way."

In my years in the private sector, I learned that solving problems involves data, analysis, and creative thinking from a diverse group of bright, thoughtful people. Considering Tom's challenge, I assembled a team from business, academia and government and set them out, first to find out who was uninsured, and why.

What they found surprised me. 20% of our uninsured actually qualified for Medicaid but had never signed up. For these people, we built and installed an internet portal for our hospitals and clinics. When uninsured individuals show up for treatment, we enter their data online. If they qualify for Medicaid, they're enrolled.

Another 40% of our uninsured were earning enough to buy insurance but had simply chosen not to do so. Why? Because it is expensive and because they know that if they become seriously ill, they will get free or subsidized treatment at the hospital. By law, emergency care cannot be withheld. Why pay for something you can get for free?

Of course, while it may be free for them, everyone else ends up paying the bill, either in higher insurance premiums or taxes. Our

answer for these people was to make private health insurance much more affordable. Our insurance reforms permit higher deductibles, higher co-pays, co-insurance, provider networks, and fewer mandated benefits like in vitro fertilization. Our insurers have committed to offer products nearly 50% less expensive. With private insurance finally affordable, I proposed that everyone must either purchase a product of their choice or demonstrate that they can pay for their own healthcare. It's a personal responsibility principle.

Some of my libertarian friends balk at what looks like an individual mandate. But remember, someone has to pay for the healthcare that must, by law, be provided: either the individual pays or the taxpayers pay. A free-ride on government is not libertarian.

Our third group of uninsured make less than three times the federal poverty level and do not qualify for Medicaid. They are working people too poor to purchase health insurance. Here our answer is to provide a subsidy for them to purchase their own private policy. The premium is based on ability to pay: one pays a higher amount, along a sliding scale, as the income is higher. The big question for us was where the money for the subsidy would come from. We didn't want higher taxes.

We had about \$1 billion already in the system through a long established uninsured care pool that partially reimburses hospitals for free care. The fund is raised through an annual assessment on insurance providers and hospitals plus contributions from the state and federal governments. But would the \$1 billion be enough?

Jonathan Gruber, a professor from MIT, built an econometric model of this population. Our insurers added actuarial expertise. My in-house team crunched the numbers. Again, the result surprised us: we needed far less than the \$1 billion for the

subsidies. One reason is that this population is healthier and has lower health risk than we had imagined. Instead of single parents, most were young single males, educated and in good health. And again, because health insurance will now be affordable and subsidized, we insist that everyone purchase health insurance from one of our private insurance companies.

And so, Massachusetts will have private, market-based health insurance for all our citizens. It's a goal Democrats and Republicans share, achieved through market reforms. It requires no government takeover, no new taxes, and no employer mandate.

Along the way, we found some helpful enhancements. The Heritage Foundation helped craft a structure that enables our citizens to purchase health insurance with pre-tax dollars, even if their employer makes no contribution. This "Connector" enables pre-tax payments, simplifies payroll deduction, permits pro-rated employer contributions for part-time employees, reduces insurer marketing costs, and makes it efficient for policies to be entirely portable. And because small businesses may use the Connector, it gives them even greater bargaining power than large companies. Finally, health insurance is on a level playing field.

Two more features further reduce the rate of healthcare inflation. Medical transparency provisions allow consumers to compare the quality, track record and cost of hospitals and providers. Given deductibles and co-insurance, the consumer will have both the incentive and the information for market forces to influence behavior. Electronic health records are also underway in Massachusetts, reducing medical errors, and lowering costs.

My Democratic counterparts have added a fee to the plan I proposed. A \$295 annual per person fee would be charged to employers that do not contribute toward insurance premiums for

any of their employees. The \$295 fee is unnecessary and probably counterproductive.

How much of our healthcare plan applies to other states? A lot. Instead of thinking that the best way to cover the uninsured is by expanding Medicaid, they can instead reform insurance. Medicaid after all is a poor insurance product: no co-pays, no deductibles, and cliff eligibility. A state Connector can enable citizens to purchase health insurance with pre-tax dollars. It can also provide buying power to small business.

Will it work? I'm optimistic, but time will tell. A great deal will depend on the people who implement the program. Legislative adjustments will surely be needed along the way. One great thing about federalism is that states can innovate, demonstrate and incorporate ideas from one another. Other states will learn from our experience and improve on what we've done. That's the way we'll fix the mess in healthcare.

**Zaroulis, Alex (ANF)**

---

**From:** mitt romney <mittromney@hotmail.com>  
**Sent:** Sunday, April 09, 2006 8:09 PM  
**To:** [REDACTED] scanfield@thecommonwealthpac.com; Gillespie, Cynthia;  
[REDACTED]; Murphy, Tim (EHS); Trimarco, Thomas H. (ANF)  
**Subject:** health edit v3  
**Attachments:** The healthcare system is a mess.doc

Just changed the last line is all....Be sure to read the note I sent along with v2 though. Thanks



The healthcare system is a mess. We in Massachusetts believe we have found some answers. With market-based reform, every citizen will have affordable, private health insurance. Healthcare inflation is reduced. We need no new taxes, no employer mandate, and no government takeover.

Only weeks after I was elected governor, Tom Stemberg, Staples founder and former CEO, stopped by my office. "Mitt," he said, "if you really want to help people, find a way to get everyone health insurance." Impossible, I explained: that would mean raising taxes and a Clinton-style government takeover. But he insisted: "You can find a way."

In my years in the private sector, I learned that solving problems involves data, analysis, and creative thinking from a diverse group of bright, thoughtful people. Considering Tom's challenge, I assembled a team from business, academia and government and set them out, first to find out who was uninsured, and why.

What they found surprised me. 20% of our uninsured actually qualified for Medicaid but had never signed up. For these people, we built and installed an internet portal for our hospitals and clinics. When uninsured individuals show up for treatment, we enter their data online. If they qualify for Medicaid, they're enrolled.

Another 40% of our uninsured were earning enough to buy insurance but had simply chosen not to do so. Why? Because it is expensive and because they know that if they become seriously ill, they will get free or subsidized treatment at the hospital. By law, emergency care cannot be withheld. Why pay for something you can get for free?

Of course, while it may be free for them, everyone else ends up paying the bill, either in higher insurance premiums or taxes. Our

answer for these people was to make private health insurance much more affordable. Our insurance reforms permit higher deductibles, higher co-pays, co-insurance, provider networks, and fewer mandated benefits like in vitro fertilization. Our insurers have committed to offer products nearly 50% less expensive. With private insurance finally affordable, I proposed that everyone must either purchase a product of their choice or demonstrate that they can pay for their own healthcare. It's a personal responsibility principle.

Some of my libertarian friends balk at what looks like an individual mandate. But remember, someone has to pay for the healthcare that must, by law, be provided: either the individual pays or the taxpayers pay. A free-ride on government is not libertarian.

Our third group of uninsured make less than three times the federal poverty level and do not qualify for Medicaid. They are working people too poor to purchase health insurance. Here our answer is to provide a subsidy for them to purchase their own private policy. The premium is based on ability to pay: one pays a higher amount, along a sliding scale, as the income is higher. The big question for us was where the money for the subsidy would come from. We didn't want higher taxes.

We had about \$1 billion already in the system through a long established uninsured care pool that partially reimburses hospitals for free care. The fund is raised through an annual assessment on insurance providers and hospitals plus contributions from the state and federal governments. But would the \$1 billion be enough?

Jonathan Gruber, a professor from MIT, built an econometric model of this population. Our insurers added actuarial expertise. My in-house team crunched the numbers. Again, the result surprised us: we needed far less than the \$1 billion for the

subsidies. One reason is that this population is healthier and has lower health risk than we had imagined. Instead of single parents, most were young single males, educated and in good health. And again, because health insurance will now be affordable and subsidized, we insist that everyone purchase health insurance from one of our private insurance companies.

And so, Massachusetts will have private, market-based health insurance for all our citizens. It's a goal Democrats and Republicans share, achieved through market reforms. It requires no government takeover, no new taxes, and no employer mandate.

Along the way, we found some helpful enhancements. The Heritage Foundation helped craft a structure that enables our citizens to purchase health insurance with pre-tax dollars, even if their employer makes no contribution. This "Connector" enables pre-tax payments, simplifies payroll deduction, permits pro-rated employer contributions for part-time employees, reduces insurer marketing costs, and makes it efficient for policies to be entirely portable. And because small businesses may use the Connector, it gives them even greater bargaining power than large companies. Finally, health insurance is on a level playing field.

Two more features further reduce the rate of healthcare inflation. Medical transparency provisions allow consumers to compare the quality, track record and cost of hospitals and providers. Given deductibles and co-insurance, the consumer will have both the incentive and the information for market forces to influence behavior. Electronic health records are also underway in Massachusetts, reducing medical errors, and lowering costs.

My Democratic counterparts have added a fee to the plan I proposed. A \$295 annual per person fee would be charged to employers that do not contribute toward insurance premiums for

any of their employees. The \$295 fee is unnecessary and probably counterproductive.

How much of our healthcare plan applies to other states? A lot. Instead of thinking that the best way to cover the uninsured is by expanding Medicaid, they can instead reform insurance. Medicaid after all is a poor insurance product: no co-pays, no deductibles, and cliff eligibility. A state Connector can enable citizens to purchase health insurance with pre-tax dollars. It can also provide buying power to small business.

Will it work? I'm optimistic, but time will tell. A great deal will depend on the people who implement the program. Legislative adjustments will surely be needed along the way. One great thing about federalism is that states can innovate, demonstrate and incorporate ideas from one another. Other states will learn from our experience and improve on what we've done. That's the way we'll make healthcare work for everyone.

**Zaroulis, Alex (ANF)**

---

**From:** mitt romney <mittromney@hotmail.com>  
**Sent:** Monday, April 10, 2006 5:27 AM  
**To:** [REDACTED] Gillespie, Cynthia; fehrnstrom@rcn.com; Murphy, Tim (EHS);  
Trimarco, Thomas H. (ANF)  
**Subject:** health v 4  
**Attachments:** The healthcare system is a mess.doc

Mornin team,

Here are edits that incorporate Beth and Tim's thoughts. Changes are in para  
1 and 11. Tx. Mitt

The healthcare system is a mess. We in Massachusetts, working in a bipartisan effort, believe we have found some answers. With market-based reform, every uninsured citizen will soon have affordable, private health insurance. Healthcare inflation will be reduced. We need no new taxes, no employer mandate, and no government takeover to make this happen.

Only weeks after I was elected governor, Tom Stemberg, Staples founder and former CEO, stopped by my office. "Mitt," he said, "if you really want to help people, find a way to get everyone health insurance." Impossible, I explained: that would mean raising taxes and a Clinton-style government takeover. But he insisted: "You can find a way."

In my years in the private sector, I learned that solving problems involves data, analysis, and creative thinking from a diverse group of bright, thoughtful people. Considering Tom's challenge, I assembled a team from business, academia and government and set them out, first to find out who was uninsured, and why.

What they found surprised me. 20% of our uninsured actually qualified for Medicaid but had never signed up. For these people, we built and installed an internet portal for our hospitals and clinics. When uninsured individuals show up for treatment, we enter their data online. If they qualify for Medicaid, they're enrolled.

Another 40% of our uninsured were earning enough to buy insurance but had simply chosen not to do so. Why? Because it is expensive and because they know that if they become seriously ill, they will get free or subsidized treatment at the hospital. By law, emergency care cannot be withheld. Why pay for something you can get for free?

Of course, while it may be free for them, everyone else ends up paying the bill, either in higher insurance premiums or taxes. Our answer for these people was to make private health insurance much more affordable. Our insurance reforms permit higher deductibles, higher co-pays, co-insurance, provider networks, and fewer mandated benefits like in vitro fertilization. Our insurers have committed to offer products nearly 50% less expensive. With private insurance finally affordable, I proposed that everyone must either purchase a product of their choice or demonstrate that they can pay for their own healthcare. It's a personal responsibility principle.

Some of my libertarian friends balk at what looks like an individual mandate. But remember, someone has to pay for the healthcare that must, by law, be provided: either the individual pays or the taxpayers pay. A free-ride on government is not libertarian.

Our third group of uninsured make less than three times the federal poverty level and do not qualify for Medicaid. They are working people too poor to purchase health insurance. Here our answer is to provide a subsidy for them to purchase their own private policy. The premium is based on ability to pay: one pays a higher amount, along a sliding scale, as the income is higher. The big question for us was where the money for the subsidy would come from. We didn't want higher taxes.

We had about \$1 billion already in the system through a long established uninsured care pool that partially reimburses hospitals for free care. The fund is raised through an annual assessment on insurance providers and hospitals plus contributions from the state and federal governments. But would the \$1 billion be enough?

Jonathan Gruber, a professor from MIT, built an econometric model of this population. Our insurers added actuarial expertise.

My in-house team crunched the numbers. Again, the result surprised us: we needed far less than the \$1 billion for the subsidies. One reason is that this population is healthier and has lower health risk than we had imagined. Instead of single parents, most were young single males, educated and in good health. And again, because health insurance will now be affordable and subsidized, we insist that everyone purchase health insurance from one of our private insurance companies.

And so, Massachusetts will have private, market-based health insurance for all our uninsured citizens. It's a goal Democrats and Republicans share, achieved through market reforms.

Along the way, we found some helpful enhancements. The Heritage Foundation helped craft a structure that enables our citizens to purchase health insurance with pre-tax dollars, even if their employer makes no contribution. This "Connector" enables pre-tax payments, simplifies payroll deduction, permits pro-rated employer contributions for part-time employees, reduces insurer marketing costs, and makes it efficient for policies to be entirely portable. And because small businesses may use the Connector, it gives them even greater bargaining power than large companies. Finally, health insurance is on a level playing field.

Two more features further reduce the rate of healthcare inflation. Medical transparency provisions allow consumers to compare the quality, track record and cost of hospitals and providers. Given deductibles and co-insurance, the consumer will have both the incentive and the information for market forces to influence behavior. Electronic health records are also underway in Massachusetts, reducing medical errors, and lowering costs.

My Democratic counterparts have added a fee to the plan I proposed. A \$295 annual per person fee would be charged to employers that do not contribute toward insurance premiums for



any of their employees. The \$295 fee is unnecessary and probably counterproductive.

How much of our healthcare plan applies to other states? A lot. Instead of thinking that the best way to cover the uninsured is by expanding Medicaid, they can instead reform insurance. Medicaid after all is a poor insurance product: no co-pays, no deductibles, and cliff eligibility. A state Connector can enable citizens to purchase health insurance with pre-tax dollars. It can also provide buying power to small business.

Will it work? I'm optimistic, but time will tell. A great deal will depend on the people who implement the program. Legislative adjustments will surely be needed along the way. One great thing about federalism is that states can innovate, demonstrate and incorporate ideas from one another. Other states will learn from our experience and improve on what we've done. That's the way we'll make healthcare work for everyone.

**Zaroulis, Alex (ANF)**

---

**From:** Waczko, Natalie (GOV)  
**Sent:** Tuesday, April 11, 2006 5:52 PM  
**To:** 'Murphy, Tim (EHS)'; 'Wheelan, Brian (EHS)'; Trimarco, Thomas H. (ANF); Fehrstrom, Eric (GOV); Gillespie, Cynthia (GOV); Jervinis, Suzi (CCA); Seguin, Sheli (GOV)  
**Subject:** Tomorrow morning

We're holding from 10:10-10:45am for the Gov as "healthcare prep" time but it will be up to him as to whether he needs the time to prepare remarks on his own or ask any of you for last minute clarifications or briefing. If you wouldn't mind keeping the time available, we'll play the morning by ear.

Thanks,  
Natalie

**Zaroulis, Alex (ANF)**

---

**From:** Myers, Beth (GOV) <Beth.Myers@state.ma.us>  
**Sent:** Tuesday, April 11, 2006 8:20 PM  
**To:** Fehrstrom, Eric (GOV); Gillespie, Cynthia; Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Subject:** RE: updated veto message/signing

I know I've been out of this all day, but be careful not to muddy the \$295 veto message. Shouldn't we be careful not to link the \$295 veto and the \$62 extension? Why even bring up the \$62?

-----Original Message-----

**From:** Fehrstrom, Eric (GOV) [mailto:Eric.Fehrstrom@state.ma.us]  
**Sent:** Tue 4/11/2006 7:36 PM  
**To:** Gillespie, Cynthia; Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Myers, Beth (GOV); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Cc:**  
**Subject:** Re: updated veto message/signing

Risa - I think we should add one line to that effect - but I don't think we can go heavy on the economy language. Enuff to say 295 is not something he asked for, not essential to insuring everyone but as a matter of equity will extend existing 62 to all companies, and make it revenue neutral in the tech correx bill

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

**From:** [REDACTED] <[REDACTED]@state.ma.us>  
**To:** Eric Fehrstrom <Eric.Fehrstrom@state.ma.us>; Risa (ANF) Kaplan <Risa.Kaplan@state.ma.us>; Thomas H. (ANF) Trimarco <Thomas.H.Trimarco@state.ma.us>; Beth Myers <Beth.Myers@state.ma.us>; Peter Flaherty <Peter.Flaherty@state.ma.us>; Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>; Leske, Brian (GOV) <Brian.Leske@state.ma.us>; John O'Keefe <John.O'Keefe@state.ma.us>; Cynthia Gillespie <Cynthia.Gillespie@state.ma.us>

**Sent:** Tue Apr 11 19:24:43 2006  
**Subject:** Re: updated veto message/signing

We did but no one told Risa. The TC will extend the existing assessment so all companies pay, not lower the proposed dimasi fee.

Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

**From:** "Fehrstrom, Eric \ (GOV\)" <Eric.Fehrstrom@state.ma.us>  
**Date:** Tue, 11 Apr 2006 19:21:43

To: "Kaplan, Risa \(\ANF\)" <Risa.Kaplan@state.ma.us>, "Trimarco, Thomas H. \(\ANF\)" <Thomas.H.Trimarco@state.ma.us>, "Myers, Beth \(\GOV\)" <Beth.Myers@state.ma.us>, "Flaherty, Peter \(\GOV\)" <Peter.Flaherty@state.ma.us>, "Nielsen, Mark \(\GOV\)" <Mark.Nielsen@state.ma.us>, "Leske, Brian \(\GOV\)" <Brian.Leske@state.ma.us>, "O'Keefe, John \(\GOV\)" <John.O'Keefe@state.ma.us>, "Gillespie, Cynthia \(\GOV\)" <Cynthia.Gillespie@state.ma.us>

Subject: Re: updated veto message/signing

I thought we agreed the gov was going to signal his intent to file a tech corrections bill that lowers the fee to \$62. If so, that should be in the message.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Kaplan, Risa (ANF) <Risa.Kaplan@MassMail.State.MA.US>  
To: Trimarco, Thomas H. (ANF) <Thomas.H.Trimarco@MassMail.State.MA.US>; Fehrnstrom, Eric (GOV) <Eric.Fehrnstrom@MassMail.State.MA.US>; Myers, Beth (GOV) <Beth.Myers@MassMail.State.MA.US>; Flaherty, Peter (GOV) <Peter.Flaherty@MassMail.State.MA.US>; Nielsen, Mark (GOV) <Mark.Nielsen@MassMail.State.MA.US>; Leske, Brian (GOV) <Brian.Leske@MassMail.State.MA.US>; O'Keefe, John (GOV) <John.O'Keefe@MassMail.State.MA.US>; Gillespie, Cynthia (GOV) <Cynthia.Gillespie@MassMail.State.MA.US>

Sent: Tue Apr 11 19:18:27 2006

Subject: updated veto message/signing

Below please find a replacement message for section 47 regarding assessment based on Tim and Brian's edits. The plan is to have the Governor sign the letter around 8:15 so please send any edits on to me this evening.

I am vetoing this section because it is not necessary to implement health care reform. The imposition of this tax assessment places the Commonwealth at a competitive disadvantage in the creation of jobs and in attracting new employers by making Massachusetts the only state in the union to mandate such an employer assessment. Lastly, by giving employers who do not offer health insurance the option of paying an assessment, the Commonwealth is, in essence, condoning and encouraging employers who to pay a fee in lieu of offering health insurance to employees.

-----  
and here is the latest signing letter

To the Honorable Senate and House of Representatives:

Pursuant to the provisions of Section 5 of Article 63 of the Amendments to the Constitution, I am today signing House Bill No. 4479, "An Act Providing Access to Affordable, Quality, Accountable Health Care."

With the signing this law today, every resident will have health insurance by 2009. An achievement like this comes around once in a generation, and it proves that government can work when people of both parties reach across the aisle for the common good. Today, Massachusetts is leading the way with health insurance for everyone, without a government takeover and without raising taxes.

By allowing insurers greater flexibility to design and offer more consumer responsive health insurance products and by remedying market breakdowns by merging the small group and non-group markets, this law will substantially

reduce the average monthly premium for individuals and small businesses. In order to simplify the offer and purchase of insurance, especially by small businesses, the law creates a new independent authority call the insurance Commonwealth Care Health Insurance Connector Authority. The Connector will offer a choice of comprehensive, good value health insurance products to individuals and to small businesses for purchase on a pre-tax basis.

For those residents of the Commonwealth who do not qualify for Medicaid, but do not earn enough annual income to purchase health insurance on their own, this law will provide Commonwealth Care, a sliding scale premium assistance program for the purchase of private health insurance. With the creation of Commonwealth Care, every resident of the Commonwealth will be able to buy health insurance according to their means.

Because this law will result in a greater availability of affordable health insurance products and subsidies will be provided to the working poor, it is fair to expect that all Massachusetts residents have health insurance by July 1, 2007. No longer can individuals free ride by seeking healthcare and expecting society to bear the cost.

Lastly, but perhaps most critically, this bill takes bold steps to contain healthcare costs. By putting an end to cost-shifting from the uninsured and from the Medicaid program, businesses and individual will no longer bear the cost of others' healthcare. This bill places critical healthcare cost and quality information in the hands of businesses and consumers. By creating cost and quality transparency, individuals will make more informed decisions about where and how to seek care.

I am vetoing in their entirety those sections of House 4479 itemized in Attachment A of this message, for the reasons set forth in that attachment.

The remainder of the bill I hereby approve.

## Zaroulis, Alex (ANF)

---

**From:** Myers, Beth (GOV) <Beth.Myers@state.ma.us>  
**Sent:** Tuesday, April 11, 2006 8:22 PM  
**To:** Kaplan, Risa (ANF); Fehrstrom, Eric (GOV); Gillespie, Cynthia; Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Myers, Beth (GOV); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Subject:** RE: updated veto message/signing

Again, I like this language but not sure why the two are linked. If we must mention \$62, shouldn't it be de-coupled from the assessment.

-----Original Message-----

**From:** Kaplan, Risa (ANF) [mailto:Risa.Kaplan@state.ma.us]  
**Sent:** Tue 4/11/2006 7:49 PM  
**To:** Fehrstrom, Eric (GOV); Gillespie, Cynthia; Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Myers, Beth (GOV); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Cc:**  
**Subject:** RE: updated veto message/signing

Here is new language.

I am vetoing this section because it is not necessary to implement health care reform. The imposition of this assessment places the Commonwealth at a competitive disadvantage in the creation of jobs and in attracting new employers. Lastly, by giving employers who do not offer health insurance the option of paying an assessment, the Commonwealth is, in essence, condoning and encouraging employers to pay a fee in lieu of offering health insurance to employees. In a technical corrections bill I will be filing shortly, I will introduce legislation to extend the existing \$62 assessment to all companies not just those that presently offer health insurance and will make it revenue neutral.

Do you want me to call it a technical corrections bill or leave those words out?

-----Original Message-----

**From:** Fehrstrom, Eric (GOV) [mailto:Eric.Fehrstrom@state.ma.us]  
**Sent:** Tue 4/11/2006 7:36 PM  
**To:** Gillespie, Cynthia; Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Myers, Beth (GOV); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)

**Cc:**

**Subject:** Re: updated veto message/signing

Risa - I think we should add one line to that effect - but I don't think we can go heavy on the economy language. Enuff to say 295 is not something he asked for, not essential to insuring everyone but as a matter of equity will extend existing 62 to all companies, and make it revenue neutral in the tech correx bill

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: [REDACTED]  
To: Eric Fehrstrom <Eric.Fehrstrom@state.ma.us>; Risa (ANF) Kaplan <Risa.Kaplan@state.ma.us>; Thomas H. (ANF) Trimarco <Thomas.H.Trimarco@state.ma.us>; Beth Myers <Beth.Myers@state.ma.us>; Peter Flaherty <Peter.Flaherty@state.ma.us>; Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>; Leske, Brian (GOV) <Brian.Leske@state.ma.us>; John O'Keefe <John.O'Keefe@state.ma.us>; Cynthia Gillespie <Cynthia.Gillespie@state.ma.us>

Sent: Tue Apr 11 19:24:43 2006  
Subject: Re: updated veto message/signing

We did but no one told Risa. The TC will extend the existing assessment so all companies pay, not lower the proposed dimasi fee.

Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

From: "Fehrstrom, Eric \{GOV\}" <Eric.Fehrstrom@state.ma.us>  
Date: Tue, 11 Apr 2006 19:21:43  
To: "Kaplan, Risa \{ANF\}" <Risa.Kaplan@state.ma.us>, "Trimarco, Thomas H. \{ANF\}" <Thomas.H.Trimarco@state.ma.us>, "Myers, Beth \{GOV\}" <Beth.Myers@state.ma.us>, "Flaherty, Peter \{GOV\}" <Peter.Flaherty@state.ma.us>, "Nielsen, Mark \{GOV\}" <Mark.Nielsen@state.ma.us>, "Leske, Brian \{GOV\}" <Brian.Leske@state.ma.us>, "O'Keefe, John \{GOV\}" <John.O'Keefe@state.ma.us>, "Gillespie, Cynthia \{GOV\}" <Cynthia.Gillespie@state.ma.us>

Subject: Re: updated veto message/signing

I thought we agreed the gov was going to signal his intent to file a tech corrections bill that lowers the fee to \$62. If so, that should be in the message.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Kaplan, Risa (ANF) <Risa.Kaplan@MassMail.State.MA.US>  
To: Trimarco, Thomas H. (ANF) <Thomas.H.Trimarco@MassMail.State.MA.US>; Fehrstrom, Eric (GOV) <Eric.Fehrstrom@MassMail.State.MA.US>; Myers, Beth (GOV) <Beth.Myers@MassMail.State.MA.US>; Flaherty, Peter (GOV) <Peter.Flaherty@MassMail.State.MA.US>; Nielsen, Mark (GOV) <Mark.Nielsen@MassMail.State.MA.US>; Leske, Brian (GOV) <Brian.Leske@MassMail.State.MA.US>; O'Keefe, John (GOV) <John.O'Keefe@MassMail.State.MA.US>; Gillespie, Cynthia (GOV) <Cynthia.Gillespie@MassMail.State.MA.US>

Sent: Tue Apr 11 19:18:27 2006  
Subject: updated veto message/signing

Below please find a replacement message for section 47 regarding assessment based on Tim and Brian's edits. The plan is to have the Governor sign the letter around 8:15 so please send any edits on to me this evening.

I am vetoing this section because it is not necessary to implement health care reform. The imposition of this tax assessment places the Commonwealth at a competitive disadvantage in the creation of jobs and in attracting new employers by making Massachusetts the only state in the union to mandate such an employer assessment. Lastly, by giving employers who do not offer health insurance the option of paying an assessment, the Commonwealth is, in essence, condoning and encouraging employers who to pay a fee in lieu of offering health insurance to employees.

-----  
and here is the latest signing letter

To the Honorable Senate and House of Representatives:

Pursuant to the provisions of Section 5 of Article 63 of the Amendments to the Constitution, I am today signing House Bill No. 4479, "An Act Providing Access to Affordable, Quality, Accountable Health Care."

With the signing this law today, every resident will have health insurance by 2009. An achievement like this comes around once in a generation, and it proves that government can work when people of both parties reach across the aisle for the common good. Today, Massachusetts is leading the way with health insurance for everyone, without a government takeover and without raising taxes.

By allowing insurers greater flexibility to design and offer more consumer responsive health insurance products and by remedying market breakdowns by merging the small group and non-group markets, this law will substantially reduce the average monthly premium for individuals and small businesses. In order to simplify the offer and purchase of insurance, especially by small businesses, the law creates a new independent authority call the insurance Commonwealth Care Health Insurance Connector Authority. The Connector will offer a choice of comprehensive, good value health insurance products to individuals and to small businesses for purchase on a pre-tax basis.

For those residents of the Commonwealth who do not qualify for Medicaid, but do not earn enough annual income to purchase health insurance on their own, this law will provide Commonwealth Care, a sliding scale premium assistance program for the purchase of private health insurance. With the creation of Commonwealth Care, every resident of the Commonwealth will be able to buy health insurance according to their means.

Because this law will result in a greater availability of affordable health insurance products and subsidies will be provided to the working poor, it is fair to expect that all Massachusetts residents have health insurance by July 1, 2007. No longer can individuals free ride by seeking healthcare and expecting society to bear the cost.

Lastly, but perhaps most critically, this bill takes bold steps to contain healthcare costs. By putting an end to cost-shifting from the uninsured and from the Medicaid program, businesses and individual will no longer bear the cost of others' healthcare. This bill places critical healthcare cost and quality information in the hands of businesses and consumers. By creating cost and quality transparency, individuals will make more informed decisions about where and how to seek care.

I am vetoing in their entirety those sections of House 4479 itemized in Attachment A of this message, for the reasons set forth in that attachment.

The remainder of the bill I hereby approve.



## Zaroulis, Alex (ANF)

---

**From:** Leske, Brian (GOV) <Brian.Leske@state.ma.us>  
**Sent:** Tuesday, April 11, 2006 8:41 PM  
**To:** Gillespie, Cynthia; Beth Myers; Eric Fehrstrom; Gillespie, Cynthia; Risa (ANF) Kaplan; Thomas H. (ANF) Trimarco; Peter Flaherty; Nielsen, Mark (GOV); Leske, Brian (GOV); John O'Keefe; Cynthia Gillespie  
**Subject:** RE: updated veto message/signing

I have largely been out of the loop on this, but for what it is worth, the \$62 issue scares me a little bit. As Beth and Cindy note, not only does it seem to box the Governor into a position but it also gives easy ammunition for those that want to argue that the Governor merely swapped a higher limited tax (\$295) for a broad based smaller one (\$62) albeit one that existed at least in part previously. I know it is more complicated than that, but directly linking the two here seems problematic, especially where I thought he wanted to make a clear statement that the \$295 tax on employers was unacceptable and inconsistent with Republican principles. Maybe I am missing something but that is what it seems like to me.

-----Original Message-----

From: [REDACTED] on behalf of Cindy Gillespie  
Sent: Tue 4/11/2006 8:23 PM  
To: Beth Myers; Eric Fehrstrom; Gillespie, Cynthia; Risa (ANF) Kaplan; Thomas H. (ANF) Trimarco; Peter Flaherty; Nielsen, Mark (GOV); Leske, Brian (GOV); John O'Keefe; Cynthia Gillespie  
Cc:  
Subject: Re: updated veto message/signing

Beth raises an interesting point - it's muddying the message and taking away any flexibility the Governor has to adapt his strategy to what happens over the next few days.

Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

From: "Myers, Beth \GOV\" <Beth.Myers@state.ma.us>  
Date: Tue, 11 Apr 2006 20:20:10  
To: "Fehrstrom, Eric \GOV\" <Eric.Fehrstrom@state.ma.us>, "Gillespie, Cynthia" <[REDACTED]>, "Kaplan, Risa \ANF\" <Risa.Kaplan@state.ma.us>, "Trimarco, Thomas H. \ANF\" <Thomas.H.Trimarco@state.ma.us>, "Flaherty, Peter \GOV\" <Peter.Flaherty@state.ma.us>, "Nielsen, Mark \GOV\" <Mark.Nielsen@state.ma.us>, "Leske, Brian \GOV\" <Brian.Leske@state.ma.us>, "O'Keefe, John \GOV\" <John.O'Keefe@state.ma.us>, "Gillespie, Cynthia \GOV\" <Cynthia.Gillespie@state.ma.us>

Subject: RE: updated veto message/signing

I know I've been out of this all day, but be careful not to muddy the \$295 veto message. Shouldn't we be careful not to link the \$295 veto and the \$62 extension? Why even bring up the \$62?

-----Original Message-----

From: Fehrstrom, Eric (GOV) [mailto:Eric.Fehrstrom@state.ma.us]

Sent: Tue 4/11/2006 7:36 PM

To: Gillespie, Cynthia; Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Myers, Beth (GOV); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)

Cc:

Subject: Re: updated veto message/signing

Risa - I think we should add one line to that effect - but I don't think we can go heavy on the economy language. Enuff to say 295 is not something he asked for, not essential to insuring everyone but as a matter of equity will extend existing 62 to all companies, and make it revenue neutral in the tech correx bill.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From:

To: Eric Fehrstrom <Eric.Fehrstrom@state.ma.us>; Risa (ANF) Kaplan <Risa.Kaplan@state.ma.us>; Thomas H. (ANF) Trimarco <Thomas.H.Trimarco@state.ma.us>; Beth Myers <Beth.Myers@state.ma.us>; Peter Flaherty <Peter.Flaherty@state.ma.us>; Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>; Leske, Brian (GOV) <Brian.Leske@state.ma.us>; John O'Keefe <John.O'Keefe@state.ma.us>; Cynthia Gillespie <Cynthia.Gillespie@state.ma.us>

Sent: Tue Apr 11 19:24:43 2006

Subject: Re: updated veto message/signing

We did but no one told Risa. The TC will extend the existing assessment so all companies pay, not lower the proposed dimasi fee.

Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

From: "Fehrstrom, Eric \ (GOV)" <Eric.Fehrstrom@state.ma.us>

Date: Tue, 11 Apr 2006 19:21:43

To: "Kaplan, Risa \ (ANF)" <Risa.Kaplan@state.ma.us>, "Trimarco, Thomas H. \ (ANF)" <Thomas.H.Trimarco@state.ma.us>, "Myers, Beth \ (GOV)" <Beth.Myers@state.ma.us>, "Flaherty, Peter \ (GOV)" <Peter.Flaherty@state.ma.us>, "Nielsen, Mark \ (GOV)" <Mark.Nielsen@state.ma.us>, "Leske, Brian \ (GOV)" <Brian.Leske@state.ma.us>, "O'Keefe, John \ (GOV)" <John.O'Keefe@state.ma.us>, "Gillespie, Cynthia \ (GOV)" <Cynthia.Gillespie@state.ma.us>

Subject: Re: updated veto message/signing

I thought we agreed the gov was going to signal his intent to file a tech corrections bill that lowers the fee to \$62. If so, that should be in the message.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Kaplan, Risa (ANF) <Risa.Kaplan@MassMail.State.MA.US>  
To: Trimarco, Thomas H. (ANF) <Thomas.H.Trimarco@MassMail.State.MA.US>; Fehrstrom, Eric (GOV) <Eric.Fehrstrom@MassMail.State.MA.US>; Myers, Beth (GOV) <Beth.Myers@MassMail.State.MA.US>; Flaherty, Peter (GOV) <Peter.Flaherty@MassMail.State.MA.US>; Nielsen, Mark (GOV) <Mark.Nielsen@MassMail.State.MA.US>; Leske, Brian (GOV) <Brian.Leske@MassMail.State.MA.US>; O'Keefe, John (GOV) <John.O'Keefe@MassMail.State.MA.US>; Gillespie, Cynthia (GOV) <Cynthia.Gillespie@MassMail.State.MA.US>

Sent: Tue Apr 11 19:18:27 2006  
Subject: updated veto message/signing

Below please find a replacement message for section 47 regarding assessment based on Tim and Brian's edits.

The plan is to have the Governor sign the letter around 8:15 so please send any edits on to me this evening.

I am vetoing this section because it is not necessary to implement health care reform. The imposition of this tax assessment places the Commonwealth at a competitive disadvantage in the creation of jobs and in attracting new employers by making Massachusetts the only state in the union to mandate such an employer assessment. Lastly, by giving employers who do not offer health insurance the option of paying an assessment, the Commonwealth is, in essence, condoning and encouraging employers who to pay a fee in lieu of offering health insurance to employees.

-----  
and here is the latest signing letter

To the Honorable Senate and House of Representatives:

Pursuant to the provisions of Section 5 of Article 63 of the Amendments to the Constitution, I am today signing House Bill No. 4479, "An Act Providing Access to Affordable, Quality, Accountable Health Care."

With the signing this law today, every resident will have health insurance by 2009. An achievement like this comes around once in a generation, and it proves that government can work when people of both parties reach across the aisle for the common good. Today, Massachusetts is leading the way with health insurance for everyone, without a government takeover and without raising taxes.

By allowing insurers greater flexibility to design and offer more consumer responsive health insurance products and by remedying market breakdowns by merging the small group and non-group markets, this law will substantially reduce the average monthly premium for individuals and small businesses. In order to simplify the offer and purchase of insurance, especially by small businesses, the law creates a new independent authority call the insurance Commonwealth Care Health Insurance Connector Authority. The Connector will offer a choice of comprehensive, good value health insurance products to individuals and to small businesses for purchase on a pre-tax basis.

For those residents of the Commonwealth who do not qualify for Medicaid, but do not earn enough annual income to purchase health insurance on their own, this law will provide Commonwealth Care, a sliding scale premium assistance program for the purchase of private health insurance. With the creation of Commonwealth Care, every resident of the Commonwealth will be able to buy health insurance according to their means.

Because this law will result in a greater availability of affordable health insurance products and subsidies will be provided to the working poor, it is fair to expect that all Massachusetts residents have health insurance by July 1, 2007. No longer can individuals free ride by seeking healthcare and expecting society to bear the cost.

Lastly, but perhaps most critically, this bill takes bold steps to contain healthcare costs. By putting an end to cost-shifting from the uninsured and from the Medicaid program, businesses and individual will no longer bear the cost of others' healthcare. This bill places critical healthcare cost and quality information in the hands of businesses and consumers. By creating cost and quality transparency, individuals will make more informed decisions about where and how to seek care.

I am vetoing in their entirety those sections of House 4479 itemized in Attachment A of this message, for the reasons set forth in that attachment.

The remainder of the bill I hereby approve.

**Zaroulis, Alex (ANF)**

---

**From:** Fehrstrom, Eric (GOV) <Eric.Fehrstrom@state.ma.us>  
**Sent:** Tuesday, April 11, 2006 9:19 PM  
**To:** Leske, Brian (GOV); Fehrstrom, Eric (GOV); Gillespie, Cynthia; Myers, Beth (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Flaherty, Peter (GOV); Nielsen, Mark (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Subject:** Re: updated veto message/signing

Good point. We should revisit in the am.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

**From:** Leske, Brian (GOV) <Brian.Leske@state.ma.us>  
**To:** Fehrstrom, Eric (GOV) <Eric.Fehrstrom@state.ma.us>; Gillespie, Cynthia <[REDACTED]>; Myers, Beth (GOV) <Beth.Myers@state.ma.us>; Fehrstrom, Eric (GOV) <Eric.Fehrstrom@state.ma.us>; Kaplan, Risa (ANF) <Risa.Kaplan@state.ma.us>; Trimarco, Thomas H. (ANF) <Thomas.H.Trimarco@state.ma.us>; Flaherty, Peter (GOV) <Peter.Flaherty@state.ma.us>; Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>; Leske, Brian (GOV) <Brian.Leske@state.ma.us>; O'Keefe, John (GOV) <John.O'Keefe@state.ma.us>; Gillespie, Cynthia (GOV) <Cynthia.Gillespie@state.ma.us>  
**Sent:** Tue Apr 11 20:58:00 2006  
**Subject:** RE: updated veto message/signing

I don't necessarily think the two are mutually inconsistent, just that linking the two may make the messaging on that front a little more difficult. I will defer to Eric and others on that. It seems to me, though, that the two competing "headlines" that could come out of this issue are 1) Romney vetoes \$295 assessment/tax or 2) Romney replaces \$295 assessment/tax with a \$62 assessment/tax

-----Original Message-----

**From:** Fehrstrom, Eric (GOV) [mailto:Eric.Fehrstrom@state.ma.us]  
**Sent:** Tue 4/11/2006 8:44 PM  
**To:** Gillespie, Cynthia; Myers, Beth (GOV); Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Cc:**  
**Subject:** Re: updated veto message/signing

Two replies:

1 - My understanding is gov wanted to go public on the 62. If anyone wants to make a counter argument, we need to bring it to Gov first thing in the morning.

2. Gov has already said publicly he has no problem with extending the 62 assessment. He last said it at the news conf he held on day the conf comm report was issued.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: [REDACTED]  
To: Beth Myers <Beth.Myers@state.ma.us>; Eric Fehrstrom <Eric.Fehrstrom@state.ma.us>; Gillespie, Cynthia <cindy.gillespie@earthlink.net>; Risa (ANF) Kaplan <Risa.Kaplan@state.ma.us>; Thomas H. (ANF) Trimarco <Thomas.H.Trimarco@state.ma.us>; Peter Flaherty <Peter.Flaherty@state.ma.us>; Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>; Leske, Brian (GOV) <Brian.Leske@state.ma.us>; John O'Keefe <John.O'Keefe@state.ma.us>; Cynthia Gillespie <Cynthia.Gillespie@state.ma.us>

Sent: Tue Apr 11 20:23:14 2006

Subject: Re: updated veto message/signing

Beth raises an interesting point - it's muddying the message and taking away any flexibility the Governor has to adapt his strategy to what happens over the next few days.

Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

From: "Myers, Beth \\\(GOV\\)" <Beth.Myers@state.ma.us>

Date: Tue, 11 Apr 2006 20:20:10

To: "Fehrstrom, Eric \\\(GOV\\)" <Eric.Fehrstrom@state.ma.us>, "Gillespie, Cynthia" <cindy.gillespie@earthlink.net>, "Kaplan, Risa \\\(ANF\\)" <Risa.Kaplan@state.ma.us>, "Trimarco, Thomas H. \\\(ANF\\)" <Thomas.H.Trimarco@state.ma.us>, "Flaherty, Peter \\\(GOV\\)" <Peter.Flaherty@state.ma.us>, "Nielsen, Mark \\\(GOV\\)" <Mark.Nielsen@state.ma.us>, "Leske, Brian \\\(GOV\\)" <Brian.Leske@state.ma.us>, "O'Keefe, John \\\(GOV\\)" <John.O'Keefe@state.ma.us>, "Gillespie, Cynthia \\\(GOV\\)" <Cynthia.Gillespie@state.ma.us>

Subject: RE: updated veto message/signing

I know I've been out of this all day, but be careful not to muddy the \$295 veto message. Shouldn't we be careful not to link the \$295 veto and the \$62 extension? Why even bring up the \$62?

-----Original Message-----

From: Fehrstrom, Eric (GOV) [mailto:Eric.Fehrstrom@state.ma.us]

Sent: Tue 4/11/2006 7:36 PM

To: Gillespie, Cynthia; Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Myers, Beth (GOV); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)

Cc:

Subject: Re: updated veto message/signing

Risa - I think we should add one line to that effect - but I don't think we can go heavy on the economy language. Enough to say 295 is not something he asked for, not essential to insuring everyone but as a matter of equity will extend existing 62 to all companies, and make it revenue neutral in the tech correction bill

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: [REDACTED]

To: Eric Fehrstrom <Eric.Fehrstrom@state.ma.us>; Risa (ANF) Kaplan <Risa.Kaplan@state.ma.us>; Thomas H. (ANF) Trimarco <Thomas.H.Trimarco@state.ma.us>; Beth Myers <Beth.Myers@state.ma.us>; Peter Flaherty <Peter.Flaherty@state.ma.us>; Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>; Leske, Brian (GOV) <Brian.Leske@state.ma.us>; John O'Keefe <John.O'Keefe@state.ma.us>; Cynthia Gillespie <Cynthia.Gillespie@state.ma.us>

Sent: Tue Apr 11 19:24:43 2006

Subject: Re: updated veto message/signing

We did but no one told Risa. The TC will extend the existing assessment so all companies pay, not lower the proposed dimasi fee.

Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

From: "Fehrstrom, Eric \\\(GOV\\)" <Eric.Fehrstrom@state.ma.us>

Date: Tue, 11 Apr 2006 19:21:43

To: "Kaplan, Risa \\\(ANF\\)" <Risa.Kaplan@state.ma.us>, "Trimarco, Thomas H. \\\(ANF\\)" <Thomas.H.Trimarco@state.ma.us>, "Myers, Beth \\\(GOV\\)" <Beth.Myers@state.ma.us>, "Flaherty, Peter \\\(GOV\\)" <Peter.Flaherty@state.ma.us>, "Nielsen, Mark \\\(GOV\\)" <Mark.Nielsen@state.ma.us>, "Leske, Brian \\\(GOV\\)" <Brian.Leske@state.ma.us>, "O'Keefe, John \\\(GOV\\)" <John.O'Keefe@state.ma.us>, "Gillespie, Cynthia \\\(GOV\\)" <Cynthia.Gillespie@state.ma.us>

Subject: Re: updated veto message/signing

I thought we agreed the gov was going to signal his intent to file a tech corrections bill that lowers the fee to \$62. If so, that should be in the message.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Kaplan, Risa (ANF) <Risa.Kaplan@MassMail.State.MA.US>

To: Trimarco, Thomas H. (ANF) <Thomas.H.Trimarco@MassMail.State.MA.US>; Fehrstrom, Eric (GOV) <Eric.Fehrstrom@MassMail.State.MA.US>; Myers, Beth (GOV) <Beth.Myers@MassMail.State.MA.US>; Flaherty, Peter (GOV) <Peter.Flaherty@MassMail.State.MA.US>; Nielsen, Mark (GOV) <Mark.Nielsen@MassMail.State.MA.US>; Leske, Brian (GOV) <Brian.Leske@MassMail.State.MA.US>; O'Keefe, John (GOV) <John.O'Keefe@MassMail.State.MA.US>; Gillespie, Cynthia (GOV) <Cynthia.Gillespie@MassMail.State.MA.US>

Sent: Tue Apr 11 19:18:27 2006

Subject: updated veto message/signing

Below please find a replacement message for section 47 regarding assessment based on Tim and Brian's edits.

The plan is to have the Governor sign the letter around 8:15 so please send any edits on to me this evening.

I am vetoing this section because it is not necessary to implement health care reform. The imposition of this tax assessment places the Commonwealth at a competitive disadvantage in the creation of jobs and in attracting

new employers by making Massachusetts the only state in the union to mandate such an employer assessment. Lastly, by giving employers who do not offer health insurance the option of paying an assessment, the Commonwealth is, in essence, condoning and encouraging employers who to pay a fee in lieu of offering health insurance to employees.

-----  
and here is the latest signing letter

To the Honorable Senate and House of Representatives:

Pursuant to the provisions of Section 5 of Article 63 of the Amendments to the Constitution, I am today signing House Bill No. 4479, "An Act Providing Access to Affordable, Quality, Accountable Health Care."

With the signing this law today, every resident will have health insurance by 2009. An achievement like this comes around once in a generation, and it proves that government can work when people of both parties reach across the aisle for the common good. Today, Massachusetts is leading the way with health insurance for everyone, without a government takeover and without raising taxes.

By allowing insurers greater flexibility to design and offer more consumer responsive health insurance products and by remedying market breakdowns by merging the small group and non-group markets, this law will substantially reduce the average monthly premium for individuals and small businesses. In order to simplify the offer and purchase of insurance, especially by small businesses, the law creates a new independent authority call the insurance Commonwealth Care Health Insurance Connector Authority. The Connector will offer a choice of comprehensive, good value health insurance products to individuals and to small businesses for purchase on a pre-tax basis.

For those residents of the Commonwealth who do not qualify for Medicaid, but do not earn enough annual income to purchase health insurance on their own, this law will provide Commonwealth Care, a sliding scale premium assistance program for the purchase of private health insurance. With the creation of Commonwealth Care, every resident of the Commonwealth will be able to buy health insurance according to their means.

Because this law will result in a greater availability of affordable health insurance products and subsidies will be provided to the working poor, it is fair to expect that all Massachusetts residents have health insurance by July 1, 2007. No longer can individuals free ride by seeking healthcare and expecting society to bear the cost.

Lastly, but perhaps most critically, this bill takes bold steps to contain healthcare costs. By putting an end to cost-shifting from the uninsured and from the Medicaid program, businesses and individual will no longer bear the cost of others' healthcare. This bill places critical healthcare cost and quality information in the hands of businesses and consumers. By creating cost and quality transparency, individuals will make more informed decisions about where and how to seek care.

I am vetoing in their entirety those sections of House 4479 itemized in Attachment A of this message, for the reasons set forth in that attachment.

The remainder of the bill I hereby approve.



**Zaroulis, Alex (ANF)**

---

**From:** Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>  
**Sent:** Tuesday, April 11, 2006 9:20 PM  
**To:** Leske, Brian (GOV); Fehrstrom, Eric (GOV); Gillespie, Cynthia; Myers, Beth (GOV); Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Flaherty, Peter (GOV); Nielsen, Mark (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Subject:** RE: updated veto message/signing

I agree with Beth and Brian that the Gov. should not be seen as swapping one tax for another tax. I'll bet that most observers do not know that employers now providing health insurance pay the \$62 assessment.

Mark

-----Original Message-----

**From:** Leske, Brian (GOV) [mailto:Brian.Leske@state.ma.us]  
**Sent:** Tuesday, April 11, 2006 8:58 PM  
**To:** Fehrstrom, Eric (GOV); Gillespie, Cynthia; Myers, Beth (GOV); Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Subject:** RE: updated veto message/signing

I don't necessarily think the two are mutually inconsistent, just that linking the two may make the messaging on that front a little more difficult. I will defer to Eric and others on that. It seems to me, though, that the two competing "headlines" that could come out of this issue are 1) Romney vetoes \$295 assessment/tax or 2) Romney replaces \$295 assessment/tax with a \$62 assessment/tax

-----Original Message-----

**From:** Fehrstrom, Eric (GOV)  
[mailto:Eric.Fehrstrom@state.ma.us]  
**Sent:** Tue 4/11/2006 8:44 PM  
**To:** Gillespie, Cynthia; Myers, Beth (GOV); Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)  
**Cc:**  
**Subject:** Re: updated veto message/signing

Two replies:

- 1 - My understanding is gov wanted to go public on the 62. If anyone wants to make a counter argument, we need to bring it to Gov first thing in the morning.
2. Gov has already said publicly he has no problem with extending the 62 assessment. He last said it at the news conf he held on day the conf comm report was issued.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: [REDACTED]

To: Beth Myers <Beth.Myers@state.ma.us>; Eric Fehrstrom <Eric.Fehrstrom@state.ma.us>; Gillespie, Cynthia <cindy.gillespie@earthlink.net>; Risa (ANF) Kaplan <Risa.Kaplan@state.ma.us>; Thomas H. (ANF) Trimarco <Thomas.H.Trimarco@state.ma.us>; Peter Flaherty <Peter.Flaherty@state.ma.us>; Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>; Leske, Brian (GOV) <Brian.Leske@state.ma.us>; John O'Keefe <John.O'Keefe@state.ma.us>; Cynthia Gillespie <Cynthia.Gillespie@state.ma.us>

Sent: Tue Apr 11 20:23:14 2006

Subject: Re: updated veto message/signing

Beth raises an interesting point - it's muddying the message and taking away any flexibility the Governor has to adapt his strategy to what happens over the next few days.

Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

From: "Myers, Beth \(\GOV\)" <Beth.Myers@state.ma.us>

Date: Tue, 11 Apr 2006 20:20:10

To: "Fehrstrom, Eric \(\GOV\)" <Eric.Fehrstrom@state.ma.us>, "Gillespie, Cynthia" <cindy.gillespie@earthlink.net>, "Kaplan, Risa \(\ANF\)" <Risa.Kaplan@state.ma.us>, "Trimarco, Thomas H. \(\ANF\)" <Thomas.H.Trimarco@state.ma.us>, "Flaherty, Peter \(\GOV\)" <Peter.Flaherty@state.ma.us>, "Nielsen, Mark \(\GOV\)" <Mark.Nielsen@state.ma.us>, "Leske, Brian \(\GOV\)" <Brian.Leske@state.ma.us>, "O'Keefe, John \(\GOV\)" <John.O'Keefe@state.ma.us>, "Gillespie, Cynthia \(\GOV\)" <Cynthia.Gillespie@state.ma.us>

Subject: RE: updated veto message/signing

I know I've been out of this all day, but be careful not to muddy the \$295 veto message. Shouldn't we be careful not to link the \$295 veto and the \$62 extension? Why even bring up the \$62?

-----Original Message-----

From: Fehrstrom, Eric (GOV)

[mailto:Eric.Fehrstrom@state.ma.us]

Sent: Tue 4/11/2006 7:36 PM

To: Gillespie, Cynthia; Fehrstrom, Eric (GOV); Kaplan, Risa (ANF); Trimarco, Thomas H. (ANF); Myers, Beth (GOV); Flaherty, Peter (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); O'Keefe, John (GOV); Gillespie, Cynthia (GOV)

Cc:

Subject: Re: updated veto message/signing

Risa - I think we should add one line to that effect - but I don't think we can go heavy on the economy language. Enuff to say

295 is not something he asked for, not essential to insuring everyone but as a matter of equity will extend existing 62 to all companies, and make it revenue neutral in the tech correx bill

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: [REDACTED]  
[REDACTED]

To: Eric Fehrstrom <Eric.Fehrstrom@state.ma.us>; Risa (ANF) Kaplan <Risa.Kaplan@state.ma.us>; Thomas H. (ANF) Trimarco <Thomas.H.Trimarco@state.ma.us>; Beth Myers <Beth.Myers@state.ma.us>; Peter Flaherty <Peter.Flaherty@state.ma.us>; Nielsen, Mark (GOV) <Mark.Nielsen@state.ma.us>; Leske, Brian (GOV) <Brian.Leske@state.ma.us>; John O'Keefe <John.O'Keefe@state.ma.us>; Cynthia Gillespie <Cynthia.Gillespie@state.ma.us>

Sent: Tue Apr 11 19:24:43 2006

Subject: Re: updated veto message/signing

We did but no one told Risa. The TC will extend the existing assessment so all companies pay, not lower the proposed dimasi fee.

Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

From: "Fehrstrom, Eric \{GOV\}"

<Eric.Fehrstrom@state.ma.us>

Date: Tue, 11 Apr 2006 19:21:43

To: "Kaplan, Risa \{ANF\}" <Risa.Kaplan@state.ma.us>, "Trimarco, Thomas H. \{ANF\}"

<Thomas.H.Trimarco@state.ma.us>,

"Myers, Beth \{GOV\}" <Beth.Myers@state.ma.us>, "Flaherty, Peter

\{GOV\}" <Peter.Flaherty@state.ma.us>, "Nielsen, Mark \{GOV\}"

<Mark.Nielsen@state.ma.us>, "Leske, Brian \{GOV\}"

<Brian.Leske@state.ma.us>, "O'Keefe, John \{GOV\}"

<John.O'Keefe@state.ma.us>, "Gillespie, Cynthia \{GOV\}"

<Cynthia.Gillespie@state.ma.us>

Subject: Re: updated veto message/signing

I thought we agreed the gov was going to signal his intent to file a tech corrections bill that lowers the fee to \$62. If so, that should be in the message.

-----  
Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Kaplan, Risa (ANF)

<Risa.Kaplan@MassMail.State.MA.US>

To: Trimarco, Thomas H. (ANF)

<Thomas.H.Trimarco@MassMail.State.MA.US>; Fehrstrom, Eric (GOV) <Eric.Fehrstrom@MassMail.State.MA.US>;

Myers, Beth (GOV) <Beth.Myers@MassMail.State.MA.US>; Flaherty, Peter (GOV)

<Peter.Flaherty@MassMail.State.MA.US>; Nielsen, Mark (GOV) <Mark.Nielsen@MassMail.State.MA.US>; Leske, Brian (GOV) <Brian.Leske@MassMail.State.MA.US>; O'Keefe, John (GOV) <John.O'Keefe@MassMail.State.MA.US>; Gillespie, Cynthia (GOV) <Cynthia.Gillespie@MassMail.State.MA.US>

Sent: Tue Apr 11 19:18:27 2006  
Subject: updated veto message/signing

Below please find a replacement message for section 47 regarding assessment based on Tim and Brian's edits.

The plan is to have the Governor sign the letter around 8:15 so please send any edits on to me this evening.

I am vetoing this section because it is not necessary to implement health care reform. The imposition of this tax assessment places the Commonwealth at a competitive disadvantage in the creation of jobs and in attracting new employers by making Massachusetts the only state in the union to mandate such an employer assessment. Lastly, by giving employers who do not offer health insurance the option of paying an assessment, the Commonwealth is, in essence, condoning and encouraging employers who to pay a fee in lieu of offering health insurance to employees.

-----  
and here is the latest signing letter

To the Honorable Senate and House of Representatives:

Pursuant to the provisions of Section 5 of Article 63 of the Amendments to the Constitution, I am today signing House Bill No. 4479, "An Act Providing Access to Affordable, Quality, Accountable Health Care."

With the signing this law today, every resident will have health insurance by 2009. An achievement like this comes around once in a generation, and it proves that government can work when people of both parties reach across the aisle for the common good. Today, Massachusetts is leading the way with health insurance for everyone, without a government takeover and without raising taxes.

By allowing insurers greater flexibility to design and offer more consumer responsive health insurance products and by remedying market breakdowns by merging the small group and non-group markets, this law will substantially reduce the average monthly premium for individuals and small businesses. In order to simplify the offer and purchase of insurance, especially by small businesses, the law creates a new independent authority call the insurance Commonwealth Care Health Insurance Connector Authority. The Connector will offer a choice of comprehensive, good value health insurance products to individuals and to small businesses for purchase on a pre-tax basis.

For those residents of the Commonwealth who do not qualify for Medicaid, but do not earn enough annual income to purchase health insurance on their own, this law will provide Commonwealth Care, a sliding scale premium assistance program for the purchase of private health insurance. With the creation of Commonwealth Care, every resident of the Commonwealth will be able to buy health insurance according to their means.

Because this law will result in a greater availability of affordable health insurance products and subsidies will be provided to the working poor, it is fair to expect that all Massachusetts residents have health insurance by July 1, 2007. No longer can individuals free ride by seeking healthcare and expecting society to bear the cost.

Lastly, but perhaps most critically, this bill takes bold steps to contain healthcare costs. By putting an end to cost-shifting from the uninsured and from the Medicaid program, businesses and individual will no longer bear the cost of others' healthcare. This bill places critical healthcare cost and quality information in the hands of businesses and consumers. By creating cost and quality transparency, individuals will make more informed decisions about where and how to seek care.

I am vetoing in their entirety those sections of House 4479 itemized in Attachment A of this message, for the reasons set forth in that attachment.

The remainder of the bill I hereby approve.

**Zaroulis, Alex (ANF)**

---

**From:** mitt romney <mittromney@hotmail.com>  
**Sent:** Wednesday, April 12, 2006 10:56 PM  
**To:** Trimarco, Thomas H. (ANF)

Tom,

Quite a day! You deserve a great deal of credit for making today happen. Your lifetime of integrity meant that the key players trusted you--as no one else. You kept the door open, moving Trav and Sal forward. What a job. How improbable our success was! I want you to know how very very happy I am that you joined the team. You have made a huge difference, for me and for hundreds of thousands of people who will have healthier and happier lives.  
Thanks Tom. Best, Mitt

**Zaroulis, Alex (ANF)**

---

**From:** [REDACTED] on behalf of Cindy Gillespie  
[REDACTED]  
**Sent:** Tuesday, April 25, 2006 2:11 PM  
**To:** Thomas H. (ANF) Trimarco; Tim Murphy; Cynthia Gillespie  
**Subject:** Re: The world according to Trav...

He had said that in the NY Times the day of the signing, so it may be nothing new.  
Sent via BlackBerry from EarthLink Wireless.

-----Original Message-----

From: "Trimarco, Thomas H. \\\(ANF\\)" <Thomas.H.Trimarco@state.ma.us>  
Date: Tue, 25 Apr 2006 14:09:36  
To: "Murphy, Tim \\\(EHS\\)" <Tim.Murphy@state.ma.us>, "Gillespie, Cynthia \\\(GOV\\)"  
<Cynthia.Gillespie@state.ma.us>  
Subject: FW: The world according to Trav...

What's that gratuitous last sentence about? Sal getting to him? Ciao TT

-----Original Message-----

From: Westervelt, Dave (ANF)  
Sent: Tuesday, April 25, 2006 1:27 PM  
To: Trimarco, Thomas H. (ANF); Kaplan, Risa (ANF)  
Subject: The world according to Trav...

OUTSIDE SECTIONS, AUTO INSURANCE, FUTURE PLANS DISCUSSED BY TRAVAGLINI: The Senate will once again break from the House in its budget structure and propose policy initiatives as outside sections, Senate President Robert Travaglini said Tuesday. The House in its fiscal 2007 budget plan followed the directive of House Speaker Salvatore DiMasi and did not include policy proposals as outside sections, traditionally a way for lawmakers to advance their legislative initiatives in a bill that always reaches the governor's desk. Last year, the House and Senate disagreed on this point and lawmakers found it to be a major sticking point during final negotiations. "They're not likely to vanish like the dinosaurs," Travaglini told business leaders today. Additionally, Travaglini batted away questions about his possible departure from the Senate at the end of this year, calling reports and rumors last week "greatly exaggerated." Travaglini also discussed the "heated" behind-the-scenes debate over whether to reform the state's auto insurance system, but offered no assurances that such a plan would be debated this session. And he served notice that the Senate intends to override Gov. Romney's health care bill vetoes. Developing

David E. Westervelt  
Budget Director  
Executive Office for Administration and Finance State House, Room 272  
[REDACTED]  
[dave.westervelt@state.ma.us](mailto:dave.westervelt@state.ma.us)

## Zaroulis, Alex (ANF)

---

**From:** O'Keefe, John (GOV)  
**Sent:** Tuesday, April 25, 2006 3:39 PM  
**To:** O'Keefe, John (GOV); Gillespie, Cynthia (GOV); Murphy, Tim (EHS); Myers, Beth (GOV); Fehrnstrom, Eric (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); Trimarco, Thomas H. (ANF); Westervelt, Dave (ANF); Flaherty, Peter (GOV)  
**Subject:** RE: Health Care Vetoes

Section 134 was overridden 136-18.

---

**From:** O'Keefe, John (GOV)  
**Sent:** Tuesday, April 25, 2006 3:33 PM  
**To:** O'Keefe, John (GOV); Gillespie, Cynthia (GOV); Murphy, Tim (EHS); Myers, Beth (GOV); Fehrnstrom, Eric (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); Trimarco, Thomas H. (ANF); Westervelt, Dave (ANF); Flaherty, Peter (GOV)  
**Subject:** RE: Health Care Vetoes

Section 134, report of fair share assessment: Rep. Jones asked Rep. Walrath that if the Dept. of Labor is going to do the report on the fair share assessment will the House be providing funding to the Department of Labor, which was not funded in the House Ways and Means budget. Rep. Walrath did not directly respond to Rep. Jones' question, so he asked again if Rep. Walrath would support his amendment to provide funding to DOL. Without a response, Speaker DiMasi then ordered that the roll call machine to be opened. Members are voting on the override.

---

**From:** O'Keefe, John (GOV)  
**Sent:** Tuesday, April 25, 2006 3:27 PM  
**To:** O'Keefe, John (GOV); Gillespie, Cynthia (GOV); Murphy, Tim (EHS); Myers, Beth (GOV); Fehrnstrom, Eric (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); Trimarco, Thomas H. (ANF); Westervelt, Dave (ANF); Flaherty, Peter (GOV)  
**Subject:** RE: Health Care Vetoes

Rep. Mariano finished his comment in favor of the override.

Rep. deMacedo spoke against the override of Section 47, fair share assessment. He called it a "job's tax" and cited MA as one of the most expensive states in the country to do business. He said that the assessment is such a small part of the larger health care bill but will have a chilling effect on business.

Rep. Perry spoke against the override. He said that we should try to manage within existing revenues before going to businesses with a new tax. Rep. Perry cited a new report that shows that MA's ranking as a business-friendly state is dropping and stated that we are losing jobs and residents. Praised the Governor, Speaker and President for their working on this bill, even though he disagrees with the philosophy of the bill.

Rep. O'Brien spoke in favor of the override.

Rep. Jones spoke against the override. Said he wasn't going to get up and speak but felt that he needed to address the comments by Reps. Mariano and O'Brien. He pointed out the inconsistencies of Mariano and O'Brien who said that everyone needs to pay, but the bill exempted small businesses (under 11 employees). Why did the Legislature exempt small businesses if "everyone needs to pay."

Rep. Webster spoke against the override. He said that the message to business is "we don't want you here." Cited high unemployment tax, said that we haven't lost the title of "Taxachusetts" and we need to stop taxing businesses.

Rep. Mariano spoke, again, in favor of the override.



**The veto of section 47 was overridden 136-20.**

Section 134, report of fair share assessment, is being debated next.

---

**From:** O'Keefe, John (GOV)  
**Sent:** Tuesday, April 25, 2006 2:52 PM  
**To:** O'Keefe, John (GOV); Gillespie, Cynthia (GOV); Murphy, Tim (EHS); Myers, Beth (GOV); Fehrstrom, Eric (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); Trimarco, Thomas H. (ANF); Westervelt, Dave (ANF); Flaherty, Peter (GOV)  
**Subject:** RE: Health Care Vetoes

Only Rep. Walrath spoke on Section 113, which was overridden **139-18**.

Section 47 (fair share assessment) is now being taken up by the House. Rep. Mariano is speaking in favor of the override.

---

**From:** O'Keefe, John (GOV)  
**Sent:** Tuesday, April 25, 2006 2:44 PM  
**To:** Gillespie, Cynthia (GOV); Murphy, Tim (EHS); Myers, Beth (GOV); Fehrstrom, Eric (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); Trimarco, Thomas H. (ANF); Westervelt, Dave (ANF); Flaherty, Peter (GOV); O'Keefe, John (GOV)  
**Subject:** RE: Health Care Vetoes

After a short debate Section 29 was overridden 147-10. Section 113 (behavioral health procurement report) is now being debated. Rep. Walrath is now speaking about Section 113 and read the Governor's reason for the veto.

---

**From:** O'Keefe, John (GOV)  
**Sent:** Tuesday, April 25, 2006 2:37 PM  
**To:** Gillespie, Cynthia (GOV); Murphy, Tim (EHS); Myers, Beth (GOV); Fehrstrom, Eric (GOV); Nielsen, Mark (GOV); Leske, Brian (GOV); Trimarco, Thomas H. (ANF); Westervelt, Dave (ANF); Flaherty, Peter (GOV)  
**Subject:** Health Care Vetoes

House is currently taking up health care vetoes.

Section 29 (MassHealth dental and vision) is up first. Rep. Walrath spoke in favor of the override. Said people can't get job if they don't have teeth. Rep. Rogeness spoke against the override, but admitted that it difficult to speak against an override given the topic. She cited the cost of the benefits.

I will update you as things progress.